

North Carolina



*Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2014*

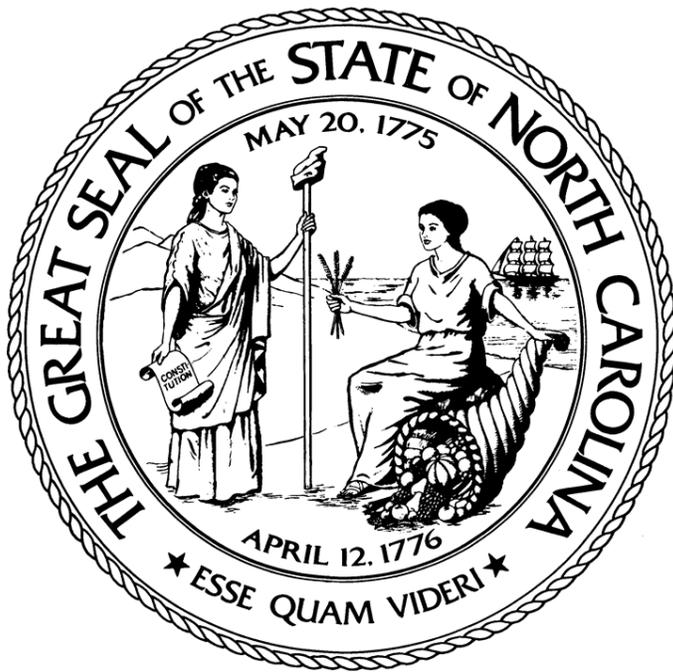
Pinehurst hosted the 2014 U.S. Open and U.S. Women's Open Championships in back-to-back weeks June 12-22, 2014, marking the first time in history that both tournaments were played in the same year, on the same course.

Information courtesy of www.pinehurst.com. Photo courtesy of www.visitNC.com.

NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2014



PAT MCCRORY
GOVERNOR

LINDA COMBS
STATE CONTROLLER

Prepared by Statewide Accounting staff
Office of the State Controller

<http://www.osc.nc.gov>

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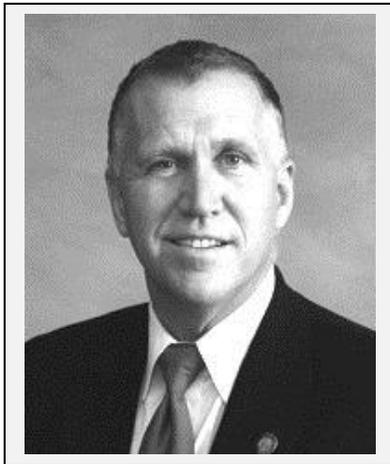
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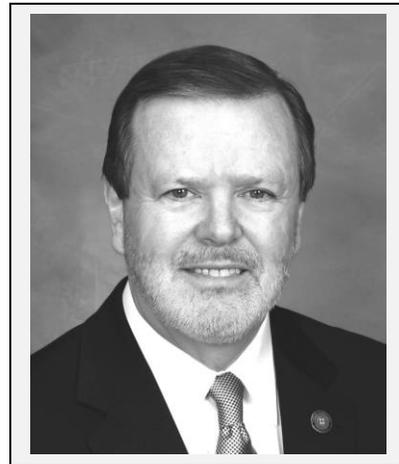
Special appreciation is given to the chief fiscal officers and the dedicated accounting personnel throughout the State. Their efforts to contribute accurate and timely financial data for their agencies, universities, community colleges, and institutions made this report possible.



PAT MCCRORY
Governor of North Carolina



REPRESENTATIVE THOM TILLIS
Speaker of the House
North Carolina General Assembly



SENATOR PHILIP BERGER
President Pro Tempore
North Carolina General Assembly



LINDA COMBS
State Controller

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INTRODUCTORY SECTION



State of North Carolina

Office of the State Controller

LINDA COMBS
STATE CONTROLLER

December 2, 2014

The Honorable Pat McCrory, Governor
Members of the North Carolina General Assembly
Citizens of North Carolina

In compliance with G.S. 143B-426.40H, it is our pleasure to provide you with the State of North Carolina's 2014 Comprehensive Annual Financial Report (CAFR). This report has been prepared by the Office of the State Controller. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the state government and this office. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects. We believe all disclosures necessary to enable you to gain an understanding of the State's financial activities have been included.

Although the State budgets and manages its financial affairs on the cash basis of accounting, G.S. 143B-426.40H requires the Office of the State Controller to prepare a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting principles (GAAP) in the United States of America. Except for schedules clearly labeled otherwise, this CAFR has been prepared in accordance with GAAP.

North Carolina's State government management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the State are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

In compliance with North Carolina's General Statutes, an annual financial audit of the State financial reporting entity is completed each year by the North Carolina Office of the State Auditor. The Auditor's examination was conducted 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, and the Auditor's opinion has been included in this report. In addition, the State coordinates the *Single Audit* effort of all federal funds through the State Auditor.

This letter of transmittal is intended to complement the management discussion and analysis (MD&A) and should be read in conjunction with it. The MD&A provides an overview of the State's financial activities addressing both governmental and business-type activities reported in the government-wide financial statements. In addition, the MD&A focuses on the State's major funds: the General Fund, the Highway Fund, the Highway Trust Fund, the Unemployment Compensation Fund, the EPA Revolving Loan Fund, the N.C. Turnpike Authority, and the N.C. State Lottery Fund. The MD&A can be found immediately following the independent auditor's report.

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Profile of the State of North Carolina

The Old North State, The Tar Heel State

North Carolina became the 12th state of the union in 1789. North Carolina is located on the Atlantic coast and is bordered by Georgia, South Carolina, Tennessee and Virginia. The State has a land area of approximately 50,000 square miles. The State's estimated population is 9.94 million, making it the 10th most populated state in the nation. Ninety-two percent of the State's population lives in metropolitan areas. The North Carolina coastline is 301 miles, the greatest distance east to west is 543 miles, and the greatest distance north to south is 188 miles. The State's elevation rises from sea level on the eastern coastline to 6,684 feet at Mount Mitchell in the Appalachian mountain range on our western border. There are 79,578 miles of roads, with Interstate 40 crossing North Carolina east to west, and Interstates 77, 85 and 95 crossing the State north to south. North Carolina's capital and central state government administration is located in Raleigh, in the central piedmont. Charlotte, Raleigh, Greensboro, Durham, and Winston-Salem are North Carolina's largest cities and there are 100 counties.

North Carolina continues to grow and to be an attractive place to live, to work, and to raise a family. The State has been consistently ranked as one of the nation's "Top Business Climates" according to *Site Selection* magazine. It has taken the top honor 10 times in the last 14 years in the annual selection by the magazine. In addition, North Carolina is ranked among the best business climates in the nation by CNBC, *Forbes* and *Chief Executive*.

Government

North Carolina's state government consists of an executive branch, a legislative branch, and a judicial branch. The executive branch is headed by the Governor. The Governor, Lieutenant Governor, and eight other statewide elected officers form the Council of State. The State Constitution provides that, "A Secretary of State, an Auditor, a Treasurer, a Superintendent of Public Instruction, an Attorney General, a Commissioner of Agriculture, a Commissioner of Labor, and a Commissioner of Insurance shall be elected by the qualified voters of the State...." All administrative departments, agencies, and offices of the State and their respective functions, powers, and duties shall be allocated by law among and within not more than 25 principal administrative departments.

The legislative power of the State is vested in the General Assembly, which consists of a Senate and a House of Representatives. The Senate is composed of 50 Senators, elected on a biennial basis. The House of Representatives is composed of 120 Representatives, elected on a biennial basis.

The Courts of the Judicial Branch are split into three divisions, the Appellate Division, the Superior Court Division, and the District Court Division. Judges are elected on a non-partisan basis.

State Reporting Entity and Its Services

The State of North Carolina entity as reported in the CAFR includes all fund types of the departments, agencies, boards, commissions and authorities governed and legally controlled by the State's executive, legislative and judicial branches. In addition, the reporting entity includes legally separate component units for which the State is financially accountable. The component units are discretely presented in the government-wide financial statements. The State's discretely presented major component units are the University of North Carolina System, the State's community colleges, and the State Health Plan. The criteria for inclusion in the reporting entity and its presentation are defined by the Governmental Accounting Standards Board (GASB) in its GASB Codification Section 2100. These criteria are described in Note 1 of the accompanying financial statements.

The State and its component units provide a broad range of services to its citizens, including primary and secondary education; higher education; health and human services; economic development; environment and natural resources; public safety, corrections, and regulation; transportation; agriculture; and general government services. The costs of these services are reflected in detail and in summary in this report.

Budgetary Control

In addition to internal controls discussed previously, the State maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the General Assembly. Activities of the General Fund, departmental special revenue funds, and permanent funds are included in the annual appropriated budget. The Highway Fund and the Highway Trust Fund, the State's major special revenue funds, are primarily budgeted on a multi-year basis. Capital projects are funded and planned in accordance with the time it will take to complete the project. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is exercised at both the departmental and university level, with allotment control exercised by the State Controller, and on the program line-item levels requiring certain approvals by the Director of the Budget. Legislative authorization of departmental expenditures appears in the state Appropriation Bill. The certified budget is the legal expenditure authority; however, the Office of State Budget and Management may approve executive changes to the legal budget as allowed by law. These changes result in the final budget presented in the required supplementary information.

Economic Condition

Overview

During fiscal year 2013-14, the economy continued to grow at a moderate pace. Economic conditions in the State, as well as the nation, reflected the ongoing improvements in the economy. For many industries, growth was strong enough to improve their economic output to levels last experienced in 2007, prior to the Great Recession. Despite the general improvement, employment and wage gains remained mixed. The unemployment rate dropped nearly two percentage points during the year. The rate fell from 8.3% to 6.3%. Unfortunately, much of the decline in the unemployment rate was from a shrinking labor force and not from increased employment. The State added 73,600 payroll jobs, which was slightly better than the gain of 70,800 the previous year. Likewise, the State's improvement in the overall economy did not lead to comparable improvement in wage and salary income. Wage and salary income grew by only 3%. The growth was much weaker than had been expected at the start of the year. For the second-half of 2014, improving economic conditions are expected to boost both employment and income growth. In 2015, wages are forecast to approach growth rates closer to the long-range average of 5.1%.

The slow-paced, erratic recovery of the previous several years began to steady and strengthen during the first-half of the fiscal year. The economy appeared poised to gain significant momentum. By the second-half of the year, much of this momentum had been lost. The growth rate in the nation's Gross Domestic Product (GDP, a broad measure of economic activity) turned negative the first quarter of 2014. Difficult weather conditions across much of the nation during the winter and the ongoing instability of the global economy were a drag on the nation's economy. In the closing months of the fiscal year, conditions improved and the economy picked up where it left off at the first of the year.

National Economic Outlook

United States Economic Indicators

	FY2012-13 Actual	FY2013-14 Actual	FY2014-15 Projected	FY2015-16 Projected
Economic growth (GDP)*	1.8%	2.4%	3.1%	3.4%
Personal Income	4.2%	2.7%	5.2%	5.8%
Corporate Pre-Tax Profits	10.6%	5.2%	5.1%	7.8%
Retail Sales	4.8%	3.8%	5.5%	6.1%
Consumer Price Index	1.7%	1.5%	2.2%	2.4%
30-yr Fixed Mortgage Interest Rate	3.5%	4.3%	4.3%	5.7%

*Adjusted for inflation

The national economy has been hampered by an unequal recovery and an unstable global economy. The aftermath of the global financial crisis continued to affect economies worldwide. This was especially true in the Eurozone where sustainable economic growth proved difficult. Uprisings in the Middle East added to the instability. In the US, capital markets have made a strong recovery, but those improvements have not been widespread across the whole economy. Offsetting some of the weakness in the global economy has been the rebound in the nation's housing market. While improvements in housing were modest, the improvement seemed to boost consumer confidence and many of the related industries hurt by the deep decline in housing and construction benefited as well. Unfortunately, the economy remained in a below-normal growth pattern making it susceptible to mild shocks, such as the downturn caused by the harsh winter experienced in much of the nation. The nation's outlook for the remainder of 2014 and 2015 is for slightly stronger economic growth, which will move the expansion closer to an average pace of growth.

Economic indicators convey the stronger pace of growth during the fiscal year. The national economy grew at a pace of 2.4%. This was ahead of the pace the previous fiscal year. The economy appeared poised to move into a much stronger recovery phase with 3.5% annualized growth in the fourth quarter of 2013. By the next quarter, rather than accelerating, growth had declined by 2.1%. Despite the sporadic pace of the recovery, the broader trends in the nation's economy indicate steady improvement. In fiscal year 2014-15, the national economy is expected to grow by 3.1%. The following fiscal year economic activity is expected to pick up the pace growing by 3.4% surpassing the long-run average growth rate of 3.0%.

Below normal economic growth during the year meant that employment would be slow to improve. The nation's unemployment rate dropped to 6.1%, but long-term unemployment and under-employment continued to cloud the employment picture. A shrinking labor force helped lower the unemployment rate rather than strong increases in employment. This slack in the labor market was reflected by the sluggish growth in wages. During the fiscal year, total personal income in the nation rose by only 2.7%. Continued advancements in the economy are projected to push personal income growth to 5.2% in fiscal year 2014-15.

Business profitability saw a major rebound after the recession, but profits had leveled-off by 2012. Many businesses coming out of the recession were bolstered by a global economic recovery primarily in emerging markets such as India and China. In the past year, export demand has moderated and the national economy has not fueled stronger demand for goods and services at home, thus expectations for profit growth are not expected to accelerate. Nonetheless, profits grew by 5.2% during the fiscal year. Profit growth is forecast to stabilize in the upcoming fiscal years with growth of 5.3% and 7.8%.

A good indicator of the health of the economy is retail sales. This key indicator weakened in fiscal year 2013-14. Consumers were hit hard during the Great Recession as household wealth declined, credit markets tightened, inflation-adjusted wages fell, and the employment picture darkened. While each of these problems has improved, the experience has made consumers more cautious and spending patterns reflect that caution. When the economic conditions broadly and fully stabilize, and the employment picture shows solid improvement, consumers should be more willing to increase spending.

To summarize, the global concerns about the fiscal health of many European nations along with the nation's struggle to repair damage to the housing market during the Great Recession continued to impact economic conditions for most of the fiscal year. United States fiscal policy played a smaller role during the fiscal year, but still added uncertainty for consumers and business decision makers. Part of what was fueling economic growth, a global economic recovery, suffered a setback with debt problems plaguing many industrialized nations. While the debt problems showed marked improvement in 2013, the after effects still lingered. Overall, the national economy strengthened during the fiscal year and is poised for solid growth in employment and wages during the next year.

*North Carolina
Economic
Outlook*

North Carolina Economic Indicators

	FY2012-13 Actual	FY2013-14 Actual	FY2014-15 Projected	FY2015-16 Projected
State Gross Product*	3.0%	2.1%	3.4%	3.7%
Personal Income	3.5%	2.9%	4.7%	5.7%
Wages & Salaries	4.4%	3.0%	4.2%	5.6%
Retail Sales	5.5%	4.0%	5.9%	6.2%
Unemployment Rate	8.8%	7.0%	6.3%	6.1%
Employment (Nonagricultural)	1.7%	1.9%	2.1%	2.1%
Population	1.0%	1.1%	1.3%	1.5%
Existing Single-family Home Sales	23.2%	0.7%	2.9%	3.3%

*Adjusted for inflation

For North Carolina, as with the nation, the economy has strengthened, but not enough to eliminate the employment losses from the economic downturn. Economic indicators for the fiscal year, point to growing improvements across the State. Despite adding 73,600 jobs during the fiscal year, industry employment was still down by 65,000 jobs compared to employment at the end of the 2007-08 fiscal year. Most private sector industries experienced modest growth, but employment in the construction industry continued to report declines. The modest gains in employment, did not translate to similar gains in wage and salary income, which increased by only 3%.

Projections for the State's key economic indicators reflect how the recovery in the State is expected to unfold. Gross State Product, a broad measure of the State's economic activity is expected to show solid growth in the next two fiscal years. Total personal income growth slowed in fiscal year 2013-14, but is expected to progress over the next two years. For the fiscal year, income rose 2.9%, well behind the strong growth of six to seven percent experienced in the years prior to the recession. Wage and salary income, a component of total personal income, grew at a weak 3% for the fiscal year. The weakness in wage and salary income growth was consistent with the mixed employment results. Going forward, stronger growth in total income is projected. This growth will result from a continually improving employment situation creating upward pressure on individual wages. A return to long-term growth levels in wage and salary income is forecast for 2015.

The recovery in North Carolina gained strength, and while the recovery gained traction it never accelerated during fiscal year 2013-14. The slow growing economy meant that the State would experience only modest job growth. Nevertheless, the unemployment rate at the end of the fiscal year fell to 6.4%. That compares to the 8.9% at the start of the fiscal year. Unfortunately, much of the decline in the rate was the result of a shrinking workforce. With a slow-growth economy and a soft employment picture, retail sales weakened, growing at a rate of 4%. The retail sales growth slowed from the previous year, falling below the average growth rate. Going forward, retail sales are expected to increase, growing at a pace one to two percentage points above the long-term average growth rate of 5%.

As the State's economy continues to progress, employment prospects are expected to improve, but a robust employment climate is not projected until 2015. All industry sectors experienced growth over the previous year with net employment growth of 1.9%. With the rebound in residential construction, the construction industry had employment gains during the fiscal year of 3.2%. This was the first time construction jobs had year-over-year gains since the recession ended. For 2015, modest improvement in all industries is expected to continue, increasing non-agricultural employment by 2.1%. This pace of growth will help reduce the unemployment rate even as more people come back into the workforce. The rate is projected to average 6.3% in fiscal year 2014-15, and 6.1% in fiscal year 2015-16.

Manufacturing reached double-digit percentage losses in the last recession. During this fiscal year, the manufacturing sector saw little improvement adding only 2,000 jobs (0.1% growth). Manufacturing employment is now above 445,000. This is still 90,000 fewer jobs than at the start of the recession. Another hard-hit industry in the State was the financial sector. The financial market began to rebound in 2010, but employment is not expected to reach pre-recession numbers until 2016 at the earliest.

The housing recession and the subsequent adjustments in the real estate market have taken a very long time to unwind. A strong rebound in home sales was underway in 2012 mostly from pent-up demand from the long economic downturn. In fiscal year 2012-13, sales of existing homes increased by 23.2%. The growth, while impressive, hasn't been sustained. In 2014, annual existing home sales are projected to grow by less than one percent.

To summarize, economic conditions during most of the fiscal year experienced gradual improvement. The slowdown in the first quarter of 2014 highlighted how fragile the economy remains as bad weather and Middle East unrest momentarily derailed the economy's progress. By the next quarter, the economy was back on track and forecasts call for steady improvements into 2015 and 2016. The State's economy should track closely with the national economy. The anticipated strengthening of the economy should increase consumer demand and boost employment growth. These projected gains in employment will help to reduce the slack in the labor market, and should place upward pressure on wages. Rising employment and wage gains will greatly improve the health of the economy as we move into 2015.

— *Economic analysis prepared by Barry Boardman, Ph.D., Chief Economist
Fiscal Research Division, North Carolina General Assembly
September 29, 2014*

Long-term Financial Planning and Major Initiatives

North Carolina Pension Funds

The North Carolina Retirement Systems administer four major retirement systems and several smaller systems and pension funds. The largest of the major retirement systems is the Teachers' and State Employees' Retirement System (TSERS).

The economic crisis of 2008 has had long-term effects that continue to require increased contributions from the State in order to maintain the strength of TSERS. Funding the Retirement Systems is a shared responsibility among employees, employers, and the Department of State Treasurer through investment earnings. Effective July 1, 2013, the State established an employer contribution rate of 8.69% of compensation for TSERS. This equals the Actuarially Required Contribution (ARC) rate. Effective July 1, 2014, the State increased the employer contribution rate to 9.15% of compensation for TSERS. This employer contribution rate fully funds the ARC. Maintaining this pattern of annual funding is the most significant action the General Assembly can take to ensure the long-term fiscal health of the pension plan.

The General Assembly enacted a contribution-based cap on pension benefits for members retiring from TSERS and the Local Government Employers' Retirement System. The benefit cap serves to control the practice of "pension spiking," whereby a member's compensation significantly increases during or immediately preceding the four-year period over which compensation is averaged in order to calculate the member's retirement benefit. The cap approximately corresponds with the annuitized equivalent of the total accumulated balance of employee contributions multiplied by a factor selected every five years by the Boards of Trustees.

Another legislative change restored the vesting period to five years instead of 10 years, for all members of the TSERS and for members of the Consolidated Judicial Retirement System who became members on and after August 1, 2011. In reaction to the 2008 financial crisis, the General Assembly had increased the vesting period for employees hired after July 31, 2011 to 10 years as a cost savings measure. The cost savings turned out to be lower than anticipated and the longer vesting period was incongruent with the State's human resources goals. In summary, these legislative actions demonstrate the State's commitment to soundly fulfill its pension obligations.

Banking Operations

The Department of State Treasurer (DST) has received funding approval and implemented a banking system upgrade. The existing system was last upgraded in 2009. As part of the upgrade, DST is working with the Office of the State Controller to replace the State's aged cash management control system.

Enterprise Resource Planning System

The State is starting an initiative to obtain a cost estimate to implement a new statewide financial system. The current North Carolina Accounting System (NCAS) is a limited-function Enterprise Resource Planning (ERP) system that was created in the mid-1970's and has been used by most state government agencies since 1995. The NCAS is an older technology mainframe system that lacks such common functionality as budget management, banking and cash management, grants management, fleet management, facilities management and equipment management.

The first step in implementing a new ERP system is to determine agency business requirements, develop a strategy for implementation, and determine the cost of an enterprise-wide implementation. This work has started, and the results will be presented to the General Assembly prior to the opening of the 2015 long session.

Relevant Financial Policies

Savings Reserve Account

General Statute 143C-4-2 established the Savings Reserve Account as a reserve in the General Fund. The State Controller “shall reserve to the Savings Reserve Account one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.”

The Savings Reserve Account is a component of the unappropriated General Fund balance and serves as the State’s rainy day fund. Funds in the Savings Reserve Account shall be available for expenditure only upon an act of appropriation by the General Assembly. The General Assembly recognizes the need to establish and maintain sufficient reserves to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies. It is a goal of the State to accumulate and maintain a balance in the Savings Reserve Account equal to or greater than 8% of the prior year’s General Fund appropriation budget.

At the beginning of fiscal year 2013-14, the balance of the Savings Reserve Account was \$651.3 million. At the end of the year, Session Law 2014-100 did not authorize the State Controller to make a transfer from the General Fund’s unreserved fund balance to the Savings Reserve Account. However, \$245 thousand was transferred to the Savings Reserve per Session Law 2013-186. The balance at the end of the fiscal year 2013-2014 was \$651.6 million. This represents 3.18% of the prior year’s General Fund appropriation budget.

Repairs and Renovations Reserve Account

General Statute 143C-4-3 established the Repairs and Renovations Reserve Account (R&R Account) as a reserve in the General Fund. The State Controller “shall reserve to the Repairs and Renovations Reserve Account one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.”

The funds in the R&R Account shall be used only for the repair and renovation of State facilities and related infrastructure that are supported from the General Fund. Funds reserved to the R&R Account shall be available for expenditure only upon an act of appropriation by the General Assembly. At the beginning of fiscal year 2013-14, the balance of the R&R Account was \$161.6 million. During the year, funds were appropriated from the account for capital repair and renovation projects. At the end of the year, Session Law 2014-100 did not authorize the State Controller to make a transfer from the General Fund’s unreserved fund balance to the R&R Account, and the balance was \$11.6 million.

Debt Affordability Advisory Committee

The 2004 General Assembly passed legislation creating the Debt Affordability Advisory Committee. The Committee is charged, on an annual basis, with advising the Governor and the General Assembly of the estimated debt capacity of the State for the upcoming 10 fiscal years. The Committee is also required to recommend other debt management policies consistent with sound management of the State’s debt.

The Committee is responsible for preparing an annual debt affordability study and establishing guidelines for evaluating the State’s debt burden. The Committee is required to report its findings and recommendations to the Governor, the General Assembly, and the Fiscal Research Division of the General Assembly by February 1 of each year.

The Committee has adopted the ratio of debt service as a percentage of revenues as the controlling metric that determines the State’s debt capacity. The 2014 study indicated over the ten year planning horizon and after adjusting revenue for the tax rate changes passed during the last legislative session, the State’s revenue picture is positive overall, reflecting a continued economic recovery. The study found that the State’s General Fund has debt capacity of \$570 million in each of the next 10 years. The ratio of debt service to revenues will peak at 3.72%, notably below the 4% target.

The following target and ceiling guidelines are the basis for calculating the recommended amount of General Fund-supported debt the State could prudently authorize and issue over the next 10 years:

1. Net tax-supported debt service as a percentage of general tax revenues should be targeted at no more than 4% and not exceed 4.75%;
2. Net tax-supported debt as a percentage of personal income should be targeted at no more than 2.5% and not exceed 3.0%; and
3. The amount of debt to be retired over the next ten years should be targeted at no less than 55% and not decline below 50%.

The Committee recommended continuing the State's historically conservative centralized debt management practices. The Committee strongly encouraged the General Assembly to adopt language restricting the ability of State entities to enter into financial arrangements that incur debt or debt-like obligations. The Committee strongly opposed the proposal for the State to provide credit support for debt issues of component unit universities and other State entities whose source of repayment is project revenues.

Lastly, the Committee cautioned that care should be taken as the State enacts laws that permit the procurement and financing of assets through the use of public private partnerships (P3s). While P3s may appear to provide a new source of funds in a time of diminished revenues and debt capacity, such agreements often contain financing arrangements with the private entity that could result in that entity incurring debt or obligations secured, directly or indirectly by governmental payments or charges to the citizens. In the Committee's view, the prioritization of capital projects and issuance of obligations that increase the State's debt burden should remain the prerogative of the General Assembly.

Awards and Acknowledgements

Certificate of Achievement

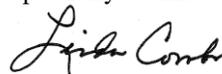
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of North Carolina for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the 20th consecutive year (1994 to 2013) the State has received the prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

In conclusion, we believe this report provides useful data to all parties using it in evaluating the financial activity of the State of North Carolina. We in the Office of the State Controller express our gratitude to all the financial officers throughout the State and to the Office of the State Auditor for their dedicated efforts in assisting us in the preparation of this report. Any questions concerning the information contained in this report should be directed to the Office of the State Controller at (919) 707-0500.

Respectfully submitted,



Linda Combs
State Controller

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CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

State of North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

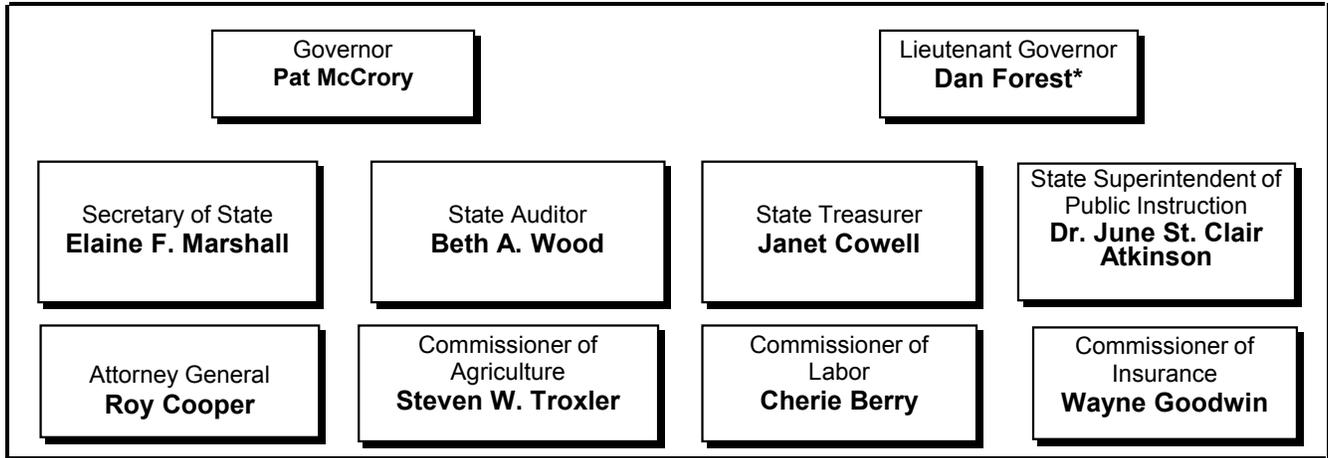
June 30, 2013

Executive Director/CEO

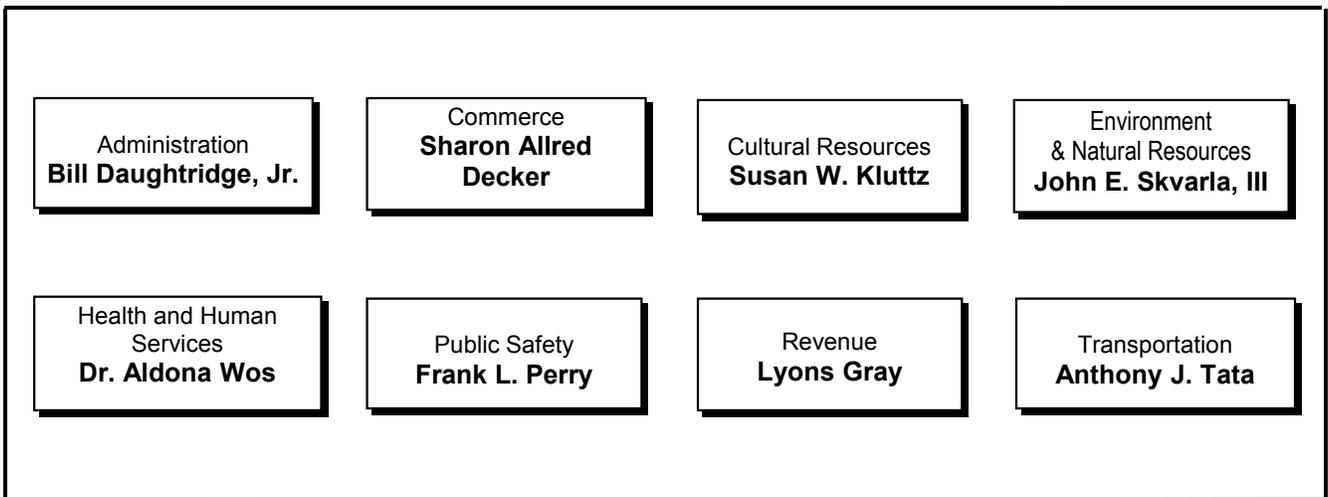
**ORGANIZATION OF NORTH CAROLINA STATE GOVERNMENT
INCLUDING PRINCIPAL STATE OFFICIALS**

EXECUTIVE BRANCH

Council of State



Cabinet Secretaries — Appointed by the Governor



*Appointed by Governor,
confirmed by Legislature*

State Controller
Dr. Linda Combs

*Appointed by State Board of
Community Colleges*

Dr. R. Scott Ralls
President

*Appointed by University
Board of Governors*

Thomas W. Ross
President

LEGISLATIVE BRANCH

JUDICIAL BRANCH

General Assembly

Senate	House of Representatives
President Pro Tempore Philip Berger	Speaker Thom Tillis
Deputy Pres. Pro Tempore Louis Pate	Speaker Pro Tempore Paul Stam
Majority Leader Harry Brown	Majority Leader Edgar V. Starnes
Minority Leader Dan Blue	Minority Leader Larry D. Hall

*Note:
Article II of the NC Constitution provides that the Lieutenant Governor shall serve as President of the Senate.

North Carolina Supreme Court

Chief Justice
Sarah Parker

Associate Justices
Mark D. Martin
Robert H. Edmunds, Jr.
Paul M. Newby
Robin E. Hudson
Barbara Jackson
Cheri Beasley

Administrative
Office of the Courts
Judge John W. Smith
Director

Component Units

University of North Carolina System	Community Colleges	State Health Plan
Other Component Units		

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FINANCIAL SECTION



Beth A. Wood, CPA
State Auditor

STATE OF NORTH CAROLINA
Office of the State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0601
Telephone: (919) 807-7500
Fax: (919) 807-7647
Internet
<http://www.ncauditor.net>

INDEPENDENT AUDITOR'S REPORT

The Honorable Pat McCrory, Governor
The General Assembly of North Carolina

Report on the Financial Statements

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 aggregate remaining fund information of the State of North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following:

- The financial statements of the North Carolina State Lottery Fund, which is a major enterprise fund and represents 2 percent and 46 percent, respectively, of the assets and revenues of the business-type activities.
- The financial statements of the North Carolina Turnpike Authority, which is a major enterprise fund and represents 45 percent and 1 percent, respectively, of the assets and revenues of the business-type activities.
- The financial statements of the North Carolina Housing Finance Agency, which represent 5 percent, 3 percent, and 3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units.
- The financial statements of the State Education Assistance Authority, which represent 12 percent, 2 percent, and 1 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units.
- The financial statements of the University of North Carolina System - University of North Carolina Health Care System - Rex Healthcare, which represent 2 percent, 2 percent, and 4 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units.
- The financial statements of the Supplemental Retirement Income Plan of North Carolina, which represent 7 percent, 7 percent, and 8 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information.
- The financial statements of the North Carolina Public Employee Deferred Compensation Plan, which represent 1 percent, 1 percent, and 1 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information.
- Cash basis claims and benefits of the State Health Plan, which represent 16 percent of the expenses of the aggregate discretely presented component units.

The financial statements and transactions listed above were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to these amounts, are based on the reports of the other auditors.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the State Education Assistance Authority, the University of North Carolina System - University of North Carolina Health Care System - Rex Healthcare, and the Supplemental Retirement Income Plan of North Carolina were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Carolina, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, during the year ended June 30, 2014, the State implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of North Carolina's basic financial statements. The combining fund financial statements and

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

schedules, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described previously, and the reports of other auditors, the combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated December 2, 2014, on our consideration of the State of North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of North Carolina's internal control over financial reporting and compliance. The report on internal control over financial reporting and on compliance and other matters will be published at a later date in the State of North Carolina's Single Audit Report.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

December 2, 2014



*MANAGEMENT'S
DISCUSSION AND
ANALYSIS*

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following is a narrative overview and analysis of the State of North Carolina's (the State) financial performance for the fiscal year ended June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and with the State's financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- The State's total net position increased by \$3.98 billion or 10.39% as a result of this year's operations. Net position of governmental activities and business-type activities increased by \$2.68 billion (or 7%) and \$1.31 billion (or 814.71%), respectively. At year-end, net position of governmental activities and business-type activities totaled \$40.88 billion and \$1.47 billion, respectively.
- Component units reported net position of \$23.11 billion, an increase of \$1.28 billion or 5.86% from the previous year. The majority of the net position increase is attributable to the University of North Carolina System, a major component unit.

Fund Financial Statements

- The fund balance of the General Fund increased from \$1.3 billion at June 30, 2013 (as restated) to \$1.54 billion at June 30, 2014, an increase of 18.93%.
- The fund balance of the Highway Fund decreased 37.53% to \$214.87 million at June 30, 2014. An increase in highway maintenance and preservation expenditures contributed to the fund balance decrease.
- The fund balance of the Highway Trust Fund increased 44.14% to \$878.12 million at June 30, 2014. The fund balance increase is primarily due to the continued growth in new car sales, which led to an increase in the highway use tax.
- The Unemployment Compensation Fund reported net position of negative \$370.52 million at June 30, 2014 compared to negative \$1.56 billion at June 30, 2013. The improvement in net position is attributable to the drop in the State's unemployment rate and the implementation of Session Law 2013-2. The amount owed to the federal government (that was advanced to finance State unemployment benefit payments) decreased 54.47% to \$980.99 million.
- Net ticket sales of the N.C. State Lottery Fund (Lottery) increased 8.85% from the previous fiscal year to \$1.84 billion. As required by law, the Lottery's net profit of \$503.14 million was transferred to the General Fund to support educational programs.
- The net position of the N.C. Turnpike Authority (Authority) increased 3.11% to \$276.77 million at June 30, 2014. Total operating revenues increased 83.16% to \$24.73 million primarily due to the increase in toll revenues. The Authority receives gap funding of debt service from the Highway Trust Fund.
- The net position of the EPA Revolving Loan Fund increased 7.63% to \$1.4 billion.

Capital Assets

- The State's investment in capital assets (net of accumulated depreciation) was \$45.64 billion, an increase of 3.93% from the previous fiscal year-end.
- Significant year-end construction in progress amounts were for highway projects (\$1.61 billion), a toll road project (\$135 million), new psychiatric hospitals (\$203 million), and software development at the Department of Health and Human Services (\$248 million).

Long-term Debt

- The State had total long-term debt outstanding (bonds, special indebtedness, and notes payable) of \$7.99 billion, a decrease of 7.1% from the previous fiscal year-end. The State issued \$506.26 million in refunding bonds to refinance previously outstanding general obligation and limited obligation bonds reported in governmental activities. The result is expected to be a decrease in future debt service payments of \$53.3 million.
- In connection with the refundings, all three rating agencies affirmed the triple-A credit rating for the State. The rating agencies recognized the State's historically conservative budgeting, financial management, and debt issuance practices. North Carolina remains one of only 10 states with a triple-A rating from all three rating agencies.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (General Fund budgetary schedule, pension and other postemployment benefits trend information) and other supplementary information (combining financial statements) in addition to the basic financial statements. These components are described below.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities are two financial statements that report information about the State, as a whole, and about its activities that should help answer this question: Is the State, as a whole, better off or worse off as a result of this year's activities? These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid. The Statement of Net Position (pages 50 and 51) presents all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the sum of these components reported as "net position." Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

The Statement of Activities (pages 52 and 53) presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the State's activities are divided into three categories:

- *Governmental Activities* – Most of the State's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services.
- *Business-type Activities* – The State charges fees to customers to help it cover all or most of the cost of certain services it provides. The State's Unemployment Compensation Fund, the EPA Revolving Loan Fund, the N.C. State Lottery Fund, and the N.C. Turnpike Authority are the predominant business-type activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. A description of the component units and an address for obtaining their separately issued financial statements can be found beginning on page 74. Discretely presented component units are combined and displayed in a separate discrete column in the government-wide financial statements to emphasize their legal separateness from the State. In addition, financial statements for major component units are presented in the notes to the financial statements (pages 166 and 167).

Fund Financial Statements

The fund financial statements provide more detailed information about the State's most significant funds (i.e., major funds) – not the State as a whole. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for particular purposes. In addition to the major funds, page 200 begins the individual fund data for the nonmajor funds. The State's funds are divided into three categories (governmental, proprietary, and fiduciary) and they use different accounting approaches.

Governmental funds – Most of the State's basic services are reported in the governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out (i.e., inflows and outflows of spendable resources) and the balances left at year-end that are available for spending (i.e., balances of spendable resources). Consequently, the governmental fund financial statements provide a detailed short-term view that helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. The State prepares the governmental fund financial statements using the modified accrual basis of accounting and a current financial resources measurement focus. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation schedule, which follows each of the governmental fund financial statements, explains the relationships (or differences) between them. Information is presented separately in the governmental fund financial statements for the General Fund, the Highway Fund, and the Highway Trust Fund, all of which are considered to be major funds. Data for all other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers or to agencies within the State, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting, which is the same method used by private sector businesses. Enterprise funds are used to report activities for which fees are charged to external users for goods and services. The Unemployment Compensation Fund, the EPA Revolving Loan Fund, the N.C. State Lottery Fund, and the N.C. Turnpike Authority are our most significant enterprise funds. Internal service funds are used to report activities that provide goods and services to the State’s other programs and activities on a cost-reimbursement basis, such as the State Property Fire Insurance Fund, the Motor Fleet Management Fund, Computing Services Fund, and the State Telecommunications Services Fund. Because the State’s internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Unemployment Compensation Fund, the EPA Revolving Loan Fund, the N.C. State Lottery Fund, and the N.C. Turnpike Authority, all of which are considered to be major funds. Conversely, separately aggregated columns are presented for the nonmajor enterprise funds and the internal service funds. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the State’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The State’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds include pension and other employee benefit trust funds, private-purpose trust funds, investment trust funds, and agency funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 74 of this report.

Required Supplementary Information

Required Supplementary Information (RSI) follows the basic financial statements and notes to the financial statements. The RSI is mandated by the GASB and includes General Fund budgetary comparison schedules reconciling the statutory to the generally accepted accounting principles fund balances at fiscal year-end, and pension plan and other postemployment benefits trend information related to the net pension liability, employer contributions, investment returns, and funding progress and contributions.

Other Supplementary Information

Other supplementary information includes the introductory section; combining financial statements for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds, and nonmajor discretely presented component units; a statement of cash flows for the State Health Plan, a major component unit, which does not issue separate financial statements; and the statistical section.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

The State's overall assets and deferred outflows of resources exceeded liabilities by \$42.35 billion (total primary government) at the close of the most recent fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State is improving or deteriorating. The following table was derived from the government-wide Statement of Net Position:

Net Position (dollars in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change 2013-2014
	2014	2013 (as restated)	2014	2013 (as restated)	2014	2013 (as restated)	
Current and other non-current assets.....	\$ 9,597,064	\$ 9,930,173	\$3,376,535	\$ 3,217,875	\$ 12,973,599	\$ 13,148,048	(1.33%)
Capital assets, net.....	44,445,982	42,748,557	1,189,232	1,160,746	45,635,214	43,909,303	3.93%
Total assets.....	54,043,046	52,678,730	4,565,767	4,378,621	58,608,813	57,057,351	2.72%
Total deferred outflows of resources.....	216,489	133,808	—	—	216,489	133,808	61.79%
Long-term liabilities.....	8,351,377	8,984,911	2,632,779	3,824,232	10,984,156	12,809,143	(14.25%)
Other liabilities.....	5,028,412	5,622,920	462,752	393,657	5,491,164	6,016,577	(8.73%)
Total liabilities.....	13,379,789	14,607,831	3,095,531	4,217,889	16,475,320	18,825,720	(12.49%)
Net position:							
Net investment in capital assets.....	42,197,283	40,394,260	433,740	410,031	42,631,023	40,804,291	4.48%
Restricted.....	863,707	852,901	894	995	864,601	853,896	1.25%
Unrestricted.....	(2,181,244)	(3,042,454)	1,035,602	(250,294)	(1,145,642)	(3,292,748)	65.21%
Total net position.....	\$ 40,879,746	\$ 38,204,707	\$ 1,470,236	\$ 160,732	\$ 42,349,982	\$ 38,365,439	10.39%

The largest component of the State's net position (\$42.63 billion) reflects its investment in capital assets (land, buildings, machinery and equipment, state highway system, toll road system, and other capital assets), less related debt still outstanding that was used to acquire or construct those assets. Restricted net position is the next largest component (\$864.6 million). Net position is restricted when constraints placed on their use are 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) legally imposed through constitutional provisions. The remaining portion, unrestricted net position, consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The government-wide statement of net position for governmental activities reflects a negative \$2.18 billion unrestricted net position balance. The State of North Carolina, like many other state and local governments, issues general obligation debt and special indebtedness and distributes the proceeds to local governments and component units. The proceeds are used to construct new buildings and renovate and modernize existing buildings on the State's community college and university campuses, assist county governments in meeting their public school building capital needs, and to provide grants and loans to local governments for clean water and natural gas projects. Of the \$6.95 billion of bonds and special indebtedness outstanding for governmental activities at June 30, 2014, \$4.7 billion is attributable to debt issued as state aid to component units (universities and community colleges) and local governments. The balance sheets of component unit and local government recipients reflect ownership of the related constructed capital assets without the burden of recording the debt obligation. The policy of issuing bonded debt and distributing the cash proceeds to non-primary government (non-state) entities has been in place for decades. However, by issuing such debt, the State is left to reflect significant liabilities on its statement of net position (reflected in the unrestricted net position component) without the benefit of recording the capital assets constructed or acquired with the proceeds from the debt issuances. Additionally, as of June 30, 2014, the State's governmental activities have significant unfunded liabilities for compensated absences of \$420.59 million, worker's compensation of \$177.71 million, and a court judgment payable of \$741.7 million (see Note 8 to the financial statements). In 2008, a Superior Court judge ruled that certain civil fines and penalties should have been remitted to North Carolina public schools and not diverted to other uses. These unfunded liabilities also contribute to the negative unrestricted net position balance for governmental activities.

The State's overall net position increased \$3.98 billion or 10.39% (total primary government) from the prior fiscal year. The net position of the governmental activities increased \$2.68 billion or 7% and business-type activities increased \$1.31 billion or 814.71%. The following financial information was derived from the government-wide Statement of Activities:

Changes in Net Position
(dollars in thousands)

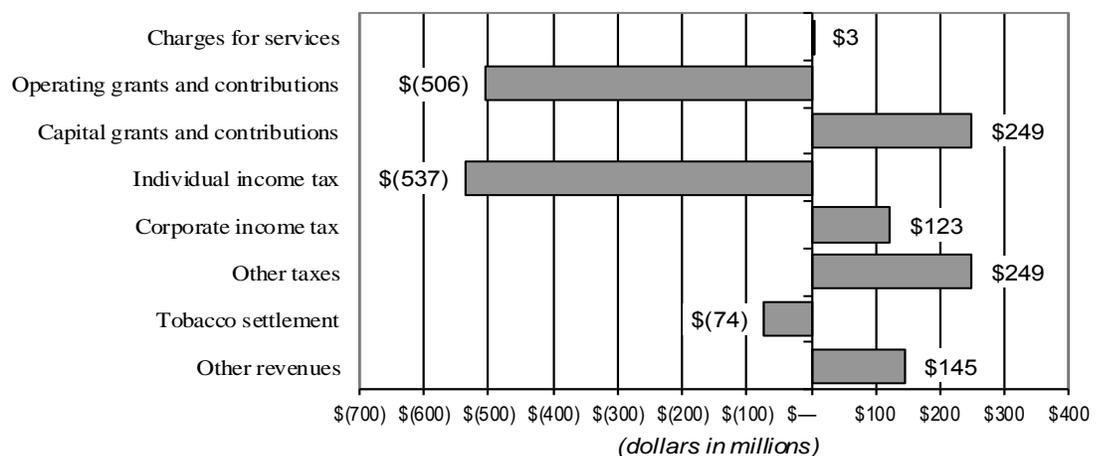
	Governmental Activities		Business-type Activities		Total Primary Government		Total Change 2013-2014
	2014	2013 (as restated)	2014	2013 (as restated)	2014	2013 (as restated)	
Revenues							
Program revenues							
Charges for services.....	\$ 2,203,713	\$ 2,200,904	\$ 3,659,205	\$ 3,386,085	\$ 5,862,918	\$ 5,586,989	4.94%
Operating grants and contributions.....	15,261,306	15,767,596	346,581	1,423,525	15,607,887	17,191,121	(9.21%)
Capital grants and contributions.....	1,260,306	1,010,889	11,942	21,109	1,272,248	1,031,998	23.28%
General revenues							
Taxes:							
Individual income tax.....	10,576,575	11,113,597	—	—	10,576,575	11,113,597	(4.83%)
Corporate income tax.....	1,318,091	1,194,850	—	—	1,318,091	1,194,850	10.31%
Sales and use tax.....	5,839,362	5,556,484	—	—	5,839,362	5,556,484	5.09%
Gasoline tax.....	1,907,803	1,889,439	—	—	1,907,803	1,889,439	0.97%
Franchise tax.....	888,815	845,130	—	—	888,815	845,130	5.17%
Highway use tax.....	596,801	555,581	—	—	596,801	555,581	7.42%
Insurance tax.....	476,402	540,844	—	—	476,402	540,844	(11.92%)
Beverage tax.....	342,784	330,918	—	—	342,784	330,918	3.59%
Inheritance tax.....	—	113,721	—	—	—	113,721	(100.00%)
Tobacco products tax.....	273,426	287,340	—	—	273,426	287,340	(4.84%)
Other taxes.....	348,938	305,726	—	—	348,938	305,726	14.13%
Tobacco settlement.....	139,169	213,078	—	—	139,169	213,078	(34.69%)
Unrestricted investment earnings.....	19,452	13,621	—	—	19,452	13,621	(42.81%)
Miscellaneous.....	184,502	44,837	3	7	184,505	44,844	311.44%
Total revenues.....	41,637,445	41,984,555	4,017,731	4,830,726	45,655,176	46,815,281	(2.48%)
Expenses							
General government.....	1,076,898	1,034,277	—	—	1,076,898	1,034,277	4.12%
Primary and secondary education.....	9,772,994	9,830,464	—	—	9,772,994	9,830,464	(0.58%)
Higher education.....	3,901,543	3,986,465	—	—	3,901,543	3,986,465	(2.13%)
Health and human services.....	17,812,888	18,313,335	—	—	17,812,888	18,313,335	(2.73%)
Economic development.....	420,464	595,248	—	—	420,464	595,248	(29.36%)
Environment and natural resources.....	484,718	515,496	—	—	484,718	515,496	(5.97%)
Public safety, corrections and regulation.....	2,911,146	2,907,980	—	—	2,911,146	2,907,980	0.11%
Transportation.....	2,607,663	2,490,991	—	—	2,607,663	2,490,991	4.68%
Agriculture.....	191,242	187,608	—	—	191,242	187,608	1.94%
Interest on long-term debt.....	216,521	233,606	—	—	216,521	233,606	(7.31%)
Unemployment compensation.....	—	—	700,190	2,496,445	700,190	2,496,445	(71.95%)
N.C. State Lottery.....	—	—	1,341,219	1,215,944	1,341,219	1,215,944	10.30%
EPA Revolving Loan.....	—	—	27,789	23,711	27,789	23,711	17.20%
N.C. Turnpike Authority.....	—	—	88,278	95,897	88,278	95,897	(7.94%)
Regulatory programs.....	—	—	75,734	76,447	75,734	76,447	(0.93%)
Insurance programs.....	—	—	18,427	17,591	18,427	17,591	4.75%
North Carolina State Fair.....	—	—	13,957	13,441	13,957	13,441	3.84%
Other business-type activities.....	—	—	12,823	13,400	12,823	13,400	(4.31%)
Total expenses.....	39,396,077	40,095,470	2,278,417	3,952,876	41,674,494	44,048,346	(5.39%)
Increase (decrease) in net position							
before contributions and transfers.....	2,241,368	1,889,085	1,739,314	877,850	3,980,682	2,766,935	43.87%
Contributions to permanent funds.....	3,861	2,834	—	—	3,861	2,834	36.24%
Transfers.....	429,810	448,733	(429,810)	(448,733)	—	—	0.00%
Increase (decrease) in net position.....	2,675,039	2,340,652	1,309,504	429,117	3,984,543	2,769,769	43.86%
Net position - beginning - restated.....	38,204,707	35,864,055	160,732	(268,385)	38,365,439	35,595,670	7.78%
Net position - ending.....	<u>\$ 40,879,746</u>	<u>\$ 38,204,707</u>	<u>\$ 1,470,236</u>	<u>\$ 160,732</u>	<u>\$ 42,349,982</u>	<u>\$ 38,365,439</u>	<u>10.39%</u>

Governmental Activities

For fiscal year 2014, revenues outpaced expenses and when combined with transfers from the State’s business-type activities, an increase in net position of \$2.68 billion (or 7%) resulted for governmental activities. Total revenues decreased by 0.83% (\$347.11 million) while total expenses decreased more rapidly at 1.74% (\$699.39 million). The decrease in total revenues is attributable to major tax changes enacted by the General Assembly, which included a reduction in individual income and corporate income tax rates (effective January 1, 2014) and a repeal of the estate tax (effective January 1, 2013). Also operating grants and contributions decreased primarily because of reduced spending in federally supported programs.

The following chart reflects the dollar change in the revenues by source of governmental activities between fiscal years 2013 and 2014:

Dollar Change in Governmental Activities Revenues by Source Between Fiscal Years 2013 and 2014

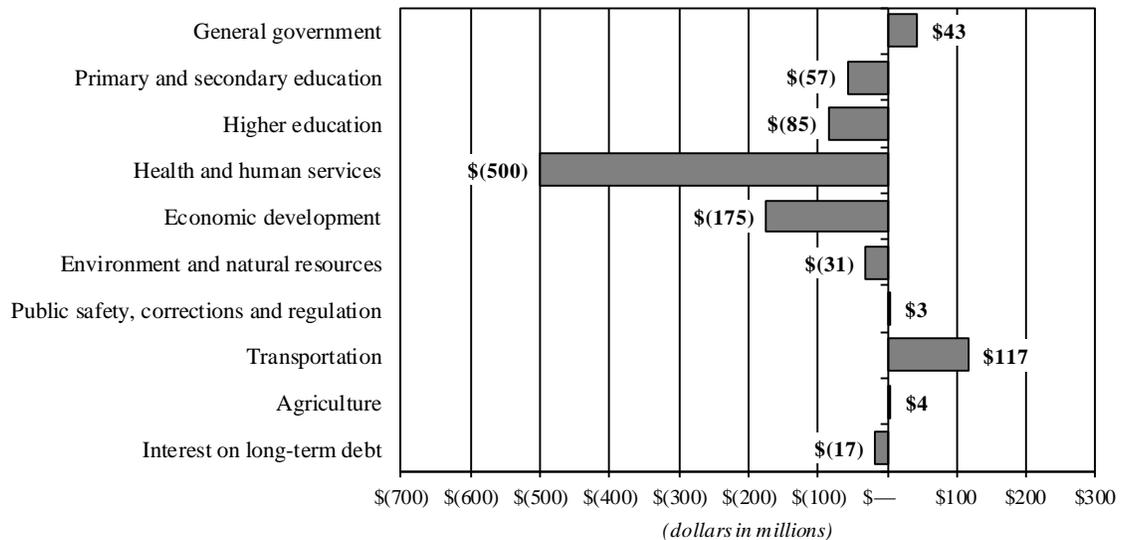


For fiscal year 2014, spending increases in the functional areas of transportation and general government were more than offset by spending decreases in health and human services, economic development, and the State’s other functional areas. The decrease in health and human services is primarily due to decreased spending for Medicaid (the State’s largest public assistance program). A new Medicaid management information system (NC Tracks), which maximizes paperless processing and improves administrative efficiency, became operational on July 1, 2013. The decrease in economic development is due to State funding reductions to grantees and the transfer of the infrastructure portion of the Community Development Block Grant program from the Department of Commerce to the Department of Environment and Natural Resources. Higher education spending decreased during the current period due to reductions in State appropriations and also to larger distributions of higher education bond proceeds in fiscal year 2013.

Medicaid is a federal entitlement program, which means individuals found eligible for Medicaid have legal rights to receive services and cannot be denied coverage by the State. In North Carolina, Medicaid is administered by the State and counties and financed with federal and state funds. Medicaid serves as the State’s safety net program for eligible individuals who lose jobs and health insurance coverage. As such, it is sensitive to economic volatility. Higher growth rates occur during years of economic distress and when major Medicaid expansions are enacted. Lower growth rates occur when the Medicaid eligible population is stable or declining.

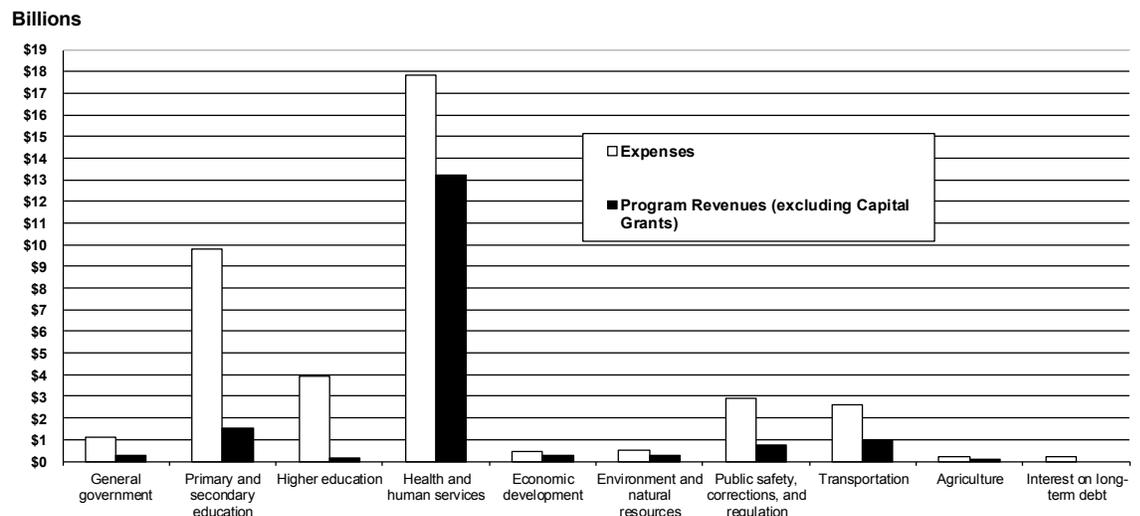
The following chart reflects the dollar change in the functional expenses of governmental activities between fiscal years 2013 and 2014:

**Dollar Change in Governmental Activities Functional Expenses
Between Fiscal Years 2013 and 2014**



The following chart depicts the total expenses and total program revenues of the State’s governmental functions. This format identifies the extent to which each governmental function is self-financing through fees and intergovernmental aid or draws from the general revenues of the State.

**Expenses - Governmental Activities
For the Fiscal Year Ended June 30, 2014**



Business-type Activities

Business-type activities reflect an overall increase in net position of \$1.31 billion or 814.71%, primarily because of the financial results of the Unemployment Compensation Fund. The net position increase of \$1.19 billion in the Unemployment Compensation Fund is explained by the drop in the State’s unemployment rate. The net position increase of \$8.35 million for the N.C. Turnpike Authority is due primarily to transfers in from the Highway Trust Fund. The net position increase of \$99.53 million in the EPA Revolving Loan Fund is due to the recognition of federal capitalization grants. The N.C. State Lottery Fund has no net position since its net profits are distributed to the State’s governmental activities, as required by statute. A more detailed discussion of the State’s business-type enterprise activities is provided in the following section (see Enterprise Funds).

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. At June 30, 2014, the State's governmental funds reported combined fund balances of \$4.24 billion, an increase of 10.44% from the prior fiscal year-end (as restated). Of this amount, \$195.24 million is classified as unassigned fund balance in the General Fund (available for spending at the State's discretion). The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (e.g., inventories), 2) restricted for particular purposes by external sources, 3) committed for particular purposes by the N.C. General Assembly, or 4) assigned for particular purposes by the Office of State Budget and Management.

The major governmental funds are discussed individually below.

General Fund

The General Fund is the chief operating fund of the State. The fund balance of the General Fund increased \$245.67 million (or 18.93%) to \$1.54 billion at June 30, 2014. In fiscal year 2013-14, the State collected \$452.6 million less in revenues than had been forecast, largely due to under collections in individual income taxes. Individual income tax collections were lower than expected due to unexpectedly slow wage and salary growth, timing of taxpayer adjustments in tax laws, and larger than expected shifts in taxpayer income from the anticipated expiration of federal tax cuts (see below section, *Variances - Final Budget and Actual Results*, for more information). General Fund tax refunds, however, were significantly lower than the previous year. The improvement in the economy, as represented by the State's lower unemployment rate, has been shown historically to be related to lower refund ratios.

For fiscal year 2013-14, individual income tax decreased by 4.81% while sales and use tax and corporate tax revenues increased by 5.11% and 8.76%, respectively. The decrease in individual income tax was the result of changes to the North Carolina revenue laws that took effect for tax years beginning January 1, 2014. Prior to the 2014 tax year, the State individual income tax due was computed using a multi-tiered bracket system with tax rates of 6%, 7%, and 7.75%. Effective for the tax year beginning January 1, 2014, the State individual income tax rate is 5.8% for all individual income tax taxpayers in North Carolina. Individuals may no longer claim personal exemptions on the North Carolina individual income tax return, and many of the tax credits were repealed or expired. The growth in corporate income tax was due, in part, to a decrease in refunds explained above. However, the growth in corporate taxes was partially offset by a decrease in the corporate tax rate. North Carolina revenue law changes reduced the corporate tax rate from 6.9% to 6%, effective for tax year January 1, 2014. Some of the increase in sales and use tax was attributable to North Carolina revenue laws that expanded the sales and use tax base, but most of the increase was due to improved economic conditions.

One of the major budget drivers for the General Fund, historically, has been the Medicaid Program. Medicaid enrollment increased 8.5% in fiscal year 2013-14 to 1.73 million (or 17.4% of North Carolina's population). The enrollment growth was partially attributable to children that were transferred from the Health Insurance Program for Children to Medicaid. One of the major goals of the biennial budget passed during the 2013 Session was to avoid future Medicaid shortfalls by providing an appropriate factor for growth. However, despite efforts to avoid a budget shortfall, the General Assembly was again required to identify savings to provide additional funds for the Medicaid Program. The total estimated Medicaid budget shortfall for fiscal year 2013-14 of \$81.7 million was substantially less than the previous year's shortfall of \$496 million. Specific actions taken during the current period to mitigate growing population and expenditures in Medicaid included prior authorization for mental health drugs and other pharmacy improvements, rate reductions, modifications to hospital reimbursement, and increased retention of revenues generated by hospital assessments.

General Fund Budget Variances

The original General Fund budget, including state appropriations and appropriations supported by departmental receipts, serves as a starting point or plan for the Governor to execute the General Fund budget pursuant to the powers granted by the Constitution and State Budget Act. At the state level in North Carolina, it is not unusual for the budget to change during the fiscal year in relation to budget adjustments made to accommodate departmental receipts. The General Fund budget supported by state appropriation is a subset of the General Fund financial schedule presented in the CAFR as required supplementary information. The current CAFR schedule reflects all spending required to support the State's General Fund activities and the funding to support those activities, including state tax and non-tax revenues, federal revenues, student tuition, and other fees, licenses, and fines. Under current state budget management practice, particularly related to departmental federal receipts, primary emphasis is placed on comparisons of the final authorized budget and actual spending.

At the state level, budgetary cuts related to state appropriations are implemented by decreasing allowable actual expenditures, as opposed to decreasing the state appropriation through a formal legislative process. The Governor and state agencies maintain legal authority to spend the dollars originally appropriated to them; however, in recent years the actual spending has been limited by the collection of tax and non-tax revenue. In extremely rare cases, the General Assembly has held special sessions to formally amend the authorized and certified state appropriation budget.

The portion of the original budget comprising departmental receipts is not intended to be the sole controlling point to manage the State's General Fund budget. The final budget includes amendments for departmental receipts collected during the fiscal year as allowed by law. General Fund departmental receipts are typically authorized for expenditure within the activity that generated the receipt. Historically, final estimated receipts have varied significantly from the original estimate at the beginning of the fiscal year. State agencies by law must spend departmental receipts prior to spending tax and nontax supported appropriations. If departmental receipts are higher than expected, appropriated dollars may go unspent and be re-appropriated in a subsequent fiscal year.

Variances – Original and Final Budget

In general, the variances between original and final budget are attributable to the timing and length of the budget preparation process and the budgeting of federal funds for the fiscal year. The original budget for fiscal year 2013-14 was prepared approximately 18 months prior to the final budget existing on June 30, 2014. The final budget reflects all budget revisions made throughout the fiscal year to adjust for known facts as well as supplemental adjustments approved in the 2013 Session of the General Assembly. Consequently, when the original budget is compared to the final budget, it would be expected that significant variances can occur.

Additional factors leading to variances between the original and final budget in fiscal year 2013-14 include the following:

- 1) Awarding of new unanticipated federal grants and/or the awarding of unanticipated increased or decreased amounts in long-standing federally supported programs. This also led to the necessity of budgeting unanticipated required state match.
- 2) Statewide encumbrance carry-forward budgeted amounts from fiscal year 2012-13 totaled \$214.13 million.
- 3) Allocation of statewide reserves to agencies and universities for the purposes of retirement and hospitalization formula adjustments, severance, salary adjustments, contingency and emergency, information technology related programs, and various other budgeted statewide reserves.
- 4) Receipt and budgeting of over-realized receipts, prior year earned revenues, and unanticipated donations and grants.

Variances - Final Budget and Actual Results

Actual total revenue collected (both tax and non-tax) was modestly below budgeted revenue amounts in fiscal year 2013-14. This result occurred because of revenue timing assumptions in the consensus economic and revenue forecast related to federal and state tax changes. In particular, the forecast underestimated the effects of 2012 federal tax changes that shifted capital gains revenue between fiscal

year 2012-13 and 2013-14. It also did not fully anticipate the timing of significant state tax law changes enacted during fiscal year 2013-14. More specifically, individual income tax rate reductions had a greater immediate impact on collections than anticipated. Taken together, these factors translated into lower than expected individual income tax collections. This was partially offset by stronger than anticipated corporate income tax and sales and use tax collections.

Departmental federal funds actually received by agencies were less than the final authorized budgeted federal fund revenues. A variance between the budget and actual federal funds occurs because actual federal fund receipts are reflective of the actual expenditures. Therefore, if qualifying federal costs are not incurred by an agency, the actual receipt of federal funds could be significantly less than the budget.

Highway Fund

The Highway Fund dates back to 1921, when the General Assembly first imposed the gasoline tax. It accounts for most of the activities of the North Carolina Department of Transportation (NCDOT), including the maintenance and construction of the State's primary and secondary road systems, the Division of Motor Vehicles, the State Highway Patrol, transit, rail and ferry system. The primary revenue sources of the Highway Fund are federal funds, three-fourths of gasoline taxes, vehicle registration fees, and driver's license fees.

The fund balance of the Highway Fund decreased from \$343.99 million at June 30, 2013 (as restated) to \$214.87 million at June 30, 2014, a decrease of 37.53%. While the Highway Fund saw a higher increase in revenues than the previous fiscal year, expenditures still exceeded revenues resulting in a decrease in overall fund balance. Total revenues increased 7.89% to \$3.55 billion, mostly due to an increase in federal funds. An increased effort on closing and finalizing federal projects and billing of funds prior to expiration resulted in an overall increase in federal revenues. Total expenditures were \$3.49 billion, an increase of 2.77%. A focus on transportation infrastructure maintenance and preservation, including bridge preservation, contributed to this increase.

The State issued \$179.54 million in grant anticipation revenue vehicle bonds (GARVEE's) in January 2012. This innovative financing tool was used to accelerate the funding of transportation improvement projects across the State by leveraging future federal transportation revenues. At June 30, 2014, all GARVEE proceeds had been expended.

Population growth is placing an increasing demand on the State's transportation system. North Carolina's population grew from 8.05 million in 2000 to 9.94 million in 2014, an increase of 23.48%. The U.S. Census estimates North Carolina's population growing to approximately 12.2 million by 2030, which would place the State as the seventh most populated state in the country. According to the 2012 Report on the Condition of the State Highway System prepared by the N.C. Division of Highways, over a 10-year period (2002 to 2011), paved lane miles grew by 10% while bridge deck area grew by approximately 21%. During this same 10-year period, vehicle miles traveled increased by 12%. While the recent recession slowed the growth in vehicle miles traveled, current rates indicate a return to pre-recession levels. This increase places a heavier burden on the existing infrastructure and accentuates the need for additional capacity, safety, and maintenance funding to address the deterioration in service created by the increase in traffic. Furthermore, many of the State's highways were built as farm-to-market roads and were not designed to handle the heavy traffic volumes of today, and other highways such as the interstate highway system, which is approaching its 60th anniversary, are nearing the end of their functional life.

Transportation is fundamental in continuing North Carolina's prosperity and quality of life as the state's population continues to grow. To address the growing demand on the transportation system, increased cost of supplies, and declining funding, NCDOT continues to seek innovative solutions to meet the growing stress on the transportation system. In response to declining motor fuels tax and the decreasing purchasing power of the Highway Fund, Session Law 2009-108 repealed the cap on the motor fuels tax and set the variable portion of the tax at 12.4 cents per gallon or 7% of the average wholesale price whichever is greater, thus setting a floor of 29.9 cents per gallon. This remained in place through June 30, 2011. Subsequent legislation reinstated and continued the cap on the motor fuels tax at a rate of 37.5 cents per gallon until June 30, 2015.

Highway Trust Fund

Legislation creating the Highway Trust Fund was passed by the General Assembly in 1989. It was established to provide a dedicated funding mechanism to meet specific highway construction needs in North Carolina. Additionally, the Highway Trust Fund provides supplemental allocations for secondary road construction and pays the debt service on the State's general obligation bonds issued for highway purposes.

The principal revenue sources of the Highway Trust Fund are highway use taxes, one-fourth of gasoline taxes, and various title and registration fees. The enabling legislation also specifies that a designated amount will be transferred each year to the General Fund. The legislation was amended in 2008 to also require annual transfers to the N.C. Turnpike Authority to pay debt service or financing expenses for specified toll road construction projects (see Note 10(B) to the financial statements). The amount transferred to the General Fund for fiscal year 2013 was \$27.6 million. The budget legislation for fiscal year 2014 reduced the designated transfer amount to the General Fund to \$0.

The fund balance of the Highway Trust Fund increased from \$609.23 million at June 30, 2013 (as restated) to \$878.12 million at June 30, 2014, an increase of 44.14%. The fund balance increase was primarily due to continued growth in new car sales which led to an increase in the highway use tax. Gasoline consumption also rose slightly from the previous year contributing to the overall increase. Total revenues increased 4.66% to \$1.18 billion, primarily due to the overall increase in the highway use tax explained above. Total transportation expenditures were \$817.71 million, an increase of 7.6%. The initial phase of the Strategic Prioritization Funding Plan along with increased activity in both urban loop construction and secondary road construction contributed to the overall increase in expenditures for the year.

The 2012 Report on the Condition of the State Highway System also noted that since passage of the Highway Trust Fund in 1989, the NCDOT has paved over 13,000 miles of unpaved secondary roads, leaving only 4,357 miles of secondary roads to be paved. In view of the fact that the paved secondary road system has not kept up with the demands of increased urbanization and traffic, the 2006 Session of the General Assembly approved changes in the General Statutes that govern the use of secondary road construction funds. Beginning with fiscal year 2010-11, secondary road allocations to the counties are based on the total number of secondary road miles in that county in proportion to the total state maintained secondary road mileage. Projects slated after July 1, 2015 will be prioritized on a statewide basis instead of a county-wide basis.

Session Law 2013-183 amends the Highway Trust Fund allocation of resources creating the Strategic Prioritization Funding Plan. Scheduled to be fully implemented by July 1, 2015, it eliminates individually legislated projects and implements a new way for NCDOT to fund and prioritize necessary infrastructure improvements while utilizing existing revenue sources more efficiently.

Enterprise Funds

The State's enterprise funds or business-type activities provide the same type of information found in the government-wide financial statements, but in more detail. The major enterprise funds are discussed individually below.

Unemployment Compensation Fund

The Unemployment Compensation Fund (Trust Fund) reported net position of negative \$370.52 million at June 30, 2014 compared to negative \$1.56 billion at June 30, 2013. The improvement in net position is explained by 1) the drop in the State's unemployment rate from 8.8% in June 2013 to 6.4% in June 2014, 2) an additional increase in the Federal Unemployment Tax Act (FUTA) tax, and 3) the implementation of Session Law 2013-2. This law generated additional revenue by increasing state unemployment taxes on employers and decreased expenses by reducing the maximum weekly benefit amount and the maximum duration of unemployment benefits. The Trust Fund's operating margin (operating revenues less operating expenses) was positive for the first time since fiscal year 2008, rising to \$1.02 billion this year compared to negative \$891.32 million in 2013. Employer unemployment contributions increased 9.72% to \$1.62 billion in 2014 due to increases to state (S.L. 2013-2) and Federal (described below) unemployment taxes on employers. Unemployment benefit expenses, both

State and Federal, decreased 73.92% from \$2.43 billion in 2013 to \$632.91 million in fiscal year 2014, due to claimants exhausting their maximum allowable benefits, a reduction in the number of new claimants, and the implementation of S.L. 2013-2 (described above).

In fiscal year 2013-14, nonoperating revenues decreased 82.36% to \$234.42 million, due to significant reductions in federal funding. The federal Emergency Unemployment Compensation (EUC) program provided \$446 thousand in benefits this fiscal year compared to \$1.19 billion last year. Funding for Federal unemployment programs is received on a reimbursement basis, so the decrease in federal EUC benefits resulted in the decrease in noncapital grants revenue.

Since February 2009, the State has borrowed from the U.S. Treasury to ensure the uninterrupted payment of State unemployment benefits. At June 30, 2014, the repayable advances from the State's Federal Unemployment Account totaled \$980.99 million compared to \$2.15 billion at the previous fiscal year-end, a 54.47% decrease. For the tax year 2013, the FUTA tax increased by an additional 0.3% for a total increase of 0.9% because the State had an outstanding loan as of November 10, 2013. The funds generated from this federal tax increase go directly towards paying down the loan (i.e., Federal unemployment account advances). The additional federal taxes paid by the State's employers this fiscal year, which were used to reduce the loan balance, was \$233.46 million (classified as gain on extinguishment of debt). The FUTA tax will increase by 0.3% for each succeeding year until the loan is repaid.

The interest rate for calendar year 2014 was 2.39%. Interest is due and payable on September 30 for each year that the loan has an outstanding balance. The required interest payment of \$35.3 million was made on September 30, 2014. A 20% surcharge on unemployment contributions, which has been in effect since January 1, 2005 as required by statute, remained in effect during the current fiscal year. The surcharge is deposited into the State Reserve Fund and one of the allowable uses is to pay the interest on the borrowing. The surcharge is still in effect because the balance in the Trust Fund has not reached the trigger "off" level.

N.C. State Lottery Fund

The N.C. Education Lottery (NCEL) first began selling game tickets in 2006. As required by the enabling legislation, net revenues of the NCEL are transferred four times a year to the General Fund. The NCEL transferred \$503.14 million to the General Fund in 2014 to support educational programs for the State. The amount transferred in 2013 was \$478.51 million. At year end, the net position of the NCEL was zero. The NCEL has no changes in the net position from year to year.

For fiscal year 2013-14, net ticket sales increased 8.85% from the previous fiscal year to \$1.84 billion. Significant financial highlights include the following: awarded \$1 million or more to an NCEL player for the 172nd time; and released 46 new instant scratch-off games into the marketplace generating gross instant ticket sales of \$1.17 billion.

The NCEL's 2014-15 budget provides for a projected \$521 million transfer to the General Fund, representing a 12.7% increase from the previous year's budget. As established in the enabling legislation, lottery funds are to be distributed for educational purposes as follows:

1. 67% to support reduction of class size in early grades and to support pre-kindergarten programs for at-risk four-year-olds who would otherwise not be served in high quality settings.
2. 23% for public school construction.
3. 10% to the State Education Assistance Authority to fund college and university scholarships.

N.C. Turnpike Authority

The North Carolina Turnpike Authority (NCTA) was created in 2002 by the General Assembly in response to concerns about rapid growth, heavy congestion and dwindling resources. It is authorized to study, plan, develop, construct, operate and maintain up to nine turnpike projects.

Major accomplishments for the NCTA for fiscal year 2013-14 included the following:

- The Triangle Expressway System, the State's first modern toll road, is approximately 18.8 miles of new highway construction. The project was constructed and opened in three phases. The third and final phase opened to toll traffic on January 2, 2013. The Triangle Expressway project was delivered on schedule and under budget. Consequently, total operating revenues increased 83.16% to \$24.73 million primarily due to the increase in toll revenues. Sales of transponders peaked with the opening of the final phase in January 2013 and remained steady through the end of fiscal year 2014.
- The NCTA has completed the financing for the Monroe Connector System, a 20-mile toll road in Mecklenburg and Union counties. However, construction has been delayed due to litigation challenging the project's environmental documentation.

Net position for NCTA increased 3.11% to \$276.77 million in 2014. The NCTA continues to show a loss before capital contributions and transfers. Increases in toll revenue are offset by increases in depreciation expense, which is then driven further negative by interest and fees. However, net position continues to increase due to continued transfers from the Highway Trust Fund for gap funding of debt service and funds for the Federal Highway Administration (FHWA) match; and capital grants (funds received from the FHWA and the Highway Trust Fund for their participation in the initial construction of toll highways and in preliminary studies to determine the feasibility of a toll facility).

Funding for administrative expenses is advanced as needed from the Highway Trust Fund to be repaid from NCTA revenue collections. Interest began to accrue on the advance on January 1, 2014 (one year after the NCTA began collecting tolls on the completed turnpike project).

The high cost of building, operating and maintaining a major highway facility is typically more than the revenue a new road can generate through tolls. The gap between what tolling can pay for and the cost of the road requires additional support from the State, known as gap funding. Annual transfers from the Highway Trust Fund to the NCTA are used to pay debt service and fund required reserves on bonds issued to finance turnpike projects. For fiscal year 2014, the N.C. General Assembly appropriated \$49 million annually for the Triangle Expressway and Monroe Connector projects.

EPA Revolving Loan Fund

The Environmental Protection Agency (EPA) Revolving Loan Fund (Loan Fund) is comprised of the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund established by General Statute 159G-22 and receives federal and state funds. This Loan Fund was established to provide loans and grants as allowed under federal laws for wastewater projects and public water systems to meet the water infrastructure needs of the State.

The net position of the Loan Fund increased 7.63% to \$1.4 billion in 2014. This increase in net position is due to the Loan Fund focusing on streamlining its processes (requiring municipalities to follow specified timelines that resulted in more infrastructure projects being completed during the year) and prioritizing the spending of funds from the U.S. EPA (federal) capitalization grant for these projects (as opposed to funds from other sources). The amount of new loans exceeded total amount of principal repaid on the existing loans which resulted in an increase to notes receivable. However, the total amount of loans issued to municipalities was less than the total amount repaid and the total amount of grants received from the U.S. EPA, resulting in an increase to cash. Operating income was \$15.08 million (operating revenues less operating expenses), and net non-operating revenues were \$70.67 million. Net non-operating revenues consisted primarily of noncapital grants (federal capitalization grants). Noncapital grants increased 28.23% to \$88.92 million. Noncapital grants increased primarily because the U.S. EPA requested that states focus on using federal capitalization grant funds for infrastructure projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2014, the State's investment in capital assets was \$45.64 billion, an increase of 3.93% from the previous fiscal year-end (see table below).

Capital Assets as of June 30 (net of depreciation, dollars in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013		2013		2013	
	2014	(as restated)	2014	(as restated)	2014	(as restated)
Land and permanent easements.....	\$ 16,216,176	\$ 15,662,140	\$ 159,493	\$ 154,884	\$ 16,375,669	\$ 15,817,024
Buildings.....	2,774,775	2,770,566	32,765	31,821	2,807,540	2,802,387
Machinery and equipment.....	608,327	586,042	6,738	6,663	615,065	592,705
Infrastructure:						
State highway system.....	21,896,274	21,062,977	—	—	21,896,274	21,062,977
NC toll road system.....	—	—	778,576	794,705	778,576	794,705
Other infrastructure.....	167,716	161,260	4,645	4,976	172,361	166,236
Computer software.....	260,710	29,310	12	26	260,722	29,336
Art, literature, and other artifacts.....	104,296	99,179	—	—	104,296	99,179
Construction in progress.....	2,072,576	1,923,523	207,003	167,671	2,279,579	2,091,194
Computer software in development.....	345,132	453,560	—	—	345,132	453,560
Total.....	<u>\$ 44,445,982</u>	<u>\$ 42,748,557</u>	<u>\$ 1,189,232</u>	<u>\$ 1,160,746</u>	<u>\$ 45,635,214</u>	<u>\$ 43,909,303</u>
Total percent change between fiscal years 2013 and 2014	3.97 %		2.45 %		3.93 %	

The largest component of capital assets is the state highway system. North Carolina has a 79,578 mile highway system, making it the second largest state-maintained highway system in the nation. The most recent report on the condition of the state highway system (December 2012) noted that while the system continues to grow, the traditional highway maintenance funds have increased, but not enough to keep up with inflation and system growth.

The major capital asset activity during the current fiscal year included the following:

- The N.C. Department of Transportation reported year-end construction in progress of \$1.61 billion (including land improvements) for state highway projects. Additionally, the N.C. Turnpike Authority (business-type activity) reported year-end construction in progress of \$135 million for the Monroe Connector System, a toll project in eastern Mecklenburg County.
- The Department of Health and Human Services (DHHS) is constructing new psychiatric hospitals to replace its aging state-operated psychiatric hospitals. It began construction of a new Cherry Hospital in 2010 and a new Broughton Hospital in 2012. At year-end, construction in progress for Cherry Hospital and Broughton Hospital totaled \$203 million. The new hospitals are being financed by special indebtedness bonds.
- DHHS is also replacing major legacy IT systems. NC Tracks, the new multi-payer Medicaid Management Information System, became operational on July 1, 2013 (total development cost of \$237 million). This system facilitates provider enrollment, consolidates claims processing activities, and supports healthcare administration. NC FAST, the new system for managing and administering social services benefits, will improve the way DHHS and the 100 county departments of social services conduct business. At year-end, computer software in development for NC FAST totaled \$248 million.

As further detailed in Note 21(E) to the financial statements, the State has commitments of \$3.59 billion for the construction of highway infrastructure, which are expected to be financed by gasoline tax collections, motor vehicle fees, toll collections, federal funds, and debt proceeds. Other commitments of \$514.85 million for the construction and improvement of state government facilities are expected to be financed primarily by debt proceeds, state appropriations, and federal funds. More detailed information about the State's capital assets is presented in Note 5 to the financial statements.

**Long-term
Debt**

At year-end, the State had total long-term debt outstanding (bonds, special indebtedness, and notes payable) of \$7.99 billion, a decrease of 7.1% from the previous fiscal year-end (see table below).

Outstanding Debt as of June 30
Bonds, Special Indebtedness, and Notes Payable
(dollars in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds.....	\$ 3,607,100	\$ 3,999,580	\$ —	\$ —	\$ 3,607,100	\$ 3,999,580
Special Indebtedness:						
Lease-purchase revenue bonds.....	4,125	20,915	—	—	4,125	20,915
Certificates of participation.....	247,615	508,500	—	—	247,615	508,500
Limited obligation bonds.....	2,132,085	1,993,740	—	—	2,132,085	1,993,740
GARVEE bonds.....	395,275	454,820	145,535	145,535	540,810	600,355
Revenue bonds.....	—	—	1,039,308	1,058,458	1,039,308	1,058,458
Notes payable.....	39,738	39,312	376,869	377,466	416,607	416,778
Total	<u>\$ 6,425,938</u>	<u>\$ 7,016,867</u>	<u>\$ 1,561,712</u>	<u>\$ 1,581,459</u>	<u>\$ 7,987,650</u>	<u>\$ 8,598,326</u>
Total percent change between fiscal years 2013 and 2014	(8.42)%		(1.25)%		(7.1)%	

During the 2013-14 fiscal year, the State issued \$506.26 million in refunding bonds to refinance previously outstanding general obligation and limited obligation bonds reported in governmental activities. This refinancing was done to take advantage of favorable interest rates. The result is expected to be a decrease in future debt service payments of \$53.3 million.

The State issues two types of tax-supported debt: general obligation bonds and various types of “special indebtedness” (i.e., debt not subject to a vote of the people). General obligation bonds are secured by the full faith, credit, and taxing power of the State and require approval by a majority of voters. The payments on special indebtedness are subject to appropriation by the General Assembly and may also be secured by a lien on facilities or equipment. The General Statutes (Chapter 142, Article 9) prohibit the issuance of special indebtedness except for projects specifically authorized by the General Assembly. There are different forms of special indebtedness, also known as appropriation-supported debt. One form, “financing contract indebtedness” includes lease-purchase revenue bonds and certificates of participation. The other form is limited obligation bonds, which may be issued by the State directly rather than through a conduit issuer. The use of alternative financing methods provides financing flexibility to the State and permits the State to take advantage of changing financial and economic environments. The GARVEEs are a revenue bond-type debt instrument where the debt service is to be paid solely from federal transportation revenues.

The State’s total long-term debt (bonds, special indebtedness, and notes payable) reported in governmental activities has increased significantly in recent years, rising from \$3.48 billion in 2002 to \$6.43 billion in 2014, in part due to large issuances for higher education capital projects. Prior to 2003, the State only issued general obligation debt. The N.C. Turnpike Authority (Authority), a business-type activity, had its first debt issuance in 2010. The Authority’s long-term debt has increased from \$691.56 million in 2010 to \$1.56 billion in 2014.

The following is a summary of significant debt authorizations.

Two-Thirds Bonds Act of 2014

The 2013-14 Session of the General Assembly authorized the issuance of up to \$306.9 million of general obligation bonds without requiring voter approval pursuant to authority in the State’s constitution that permits the issuance of such bonds to the extent of two-thirds of the amount of general obligation debt that had been retired during the previous biennium. The proceeds of the bonds are to be used to fund projects that had previously been authorized to use the proceeds of special indebtedness and various other state projects. The State has not issued any of the two-thirds bonds that were authorized by the General Assembly.

Special Indebtedness

The 2009-10 Session of the General Assembly reduced special indebtedness authorizations for various projects by over \$115 million to generate additional debt capacity and increased authorizations for guaranteed energy savings contracts by \$400 million. The 2008-09 Session of the General Assembly authorized the issuance of \$734.03 million of special indebtedness as follows: \$512.22 million for higher education projects, \$109.09 million for correctional facilities, \$50 million for acquiring state park lands and conservation areas, and \$62.72 million for other state projects. The 2007-08 Session of the General Assembly authorized the issuance of special indebtedness as follows: \$481.14 million for higher education projects and \$188.01 million for other purposes. The 2006-07 Session of the General Assembly authorized the issuance of \$672.1 million of special indebtedness as follows: \$429.3 for psychiatric hospitals and a public health laboratory for the Department of Health and Human Services, \$132.2 million for medical and mental health centers for the Department of Correction, and \$110.6 million for other state and university projects. More detailed information about the amount of authorized but unissued special indebtedness of the State is presented in Note 8 to the financial statements.

Repair and Renovation Authorization

The 2002-03 Session of the General Assembly authorized the issuance of \$300 million of special indebtedness to finance the repair and renovation of state facilities and related infrastructure that are supported by the State's General Fund. Of the \$300 million, approximately \$157 million was allocated to the University of North Carolina (UNC) System. Each of the 16 constituent institutions of the UNC System received a portion of the proceeds for repairs and renovations. The remaining \$143 million of the proceeds was used to make repairs and renovations to various state facilities. The State has issued all of the authorized repair and renovation debt.

Higher Education Authorization

The 1999-00 Session of the General Assembly authorized the issuance of \$3.1 billion of higher education improvement bonds, which were subsequently approved by the voters of the State. The \$3.1 billion bond authorization represents the largest debt authorization in the State's history. The proceeds of these general obligation bonds were used solely to construct new buildings and to renovate and modernize existing buildings on the State's 58 community college and 16 University of North Carolina campuses. These improvements were needed to meet enrollment demands and to ensure that the State's college and university buildings meet modern code requirements and are equipped to prepare graduates for 21st century jobs. The bond legislation passed by the General Assembly specifies the amount of bond funding that flows to each community college and university campus. The State has issued all of the authorized higher education bonds.

Clean Water and Natural Gas Authorization

The 1997-98 Session of the General Assembly authorized the issuance of \$1 billion of clean water and natural gas general obligation bonds, which were subsequently approved by the voters of the State. The proceeds of these bonds were used to provide grants and loans to local governments for clean water projects (\$800 million) and to provide grants and loans for construction of natural gas facilities to facilitate the expansion of natural gas service to unserved areas of the State (\$200 million). The State has issued all of the authorized clean water and natural gas bonds.

Highway Bond Authorization

The 1995-96 Session of the General Assembly authorized the issuance of \$950 million of highway general obligation bonds, which were subsequently approved by the voters of the State. The bond proceeds were allocated to pay capital costs for urban loops (\$500 million), highways in the Intrastate System (\$300 million), and for paving unpaved roads of the secondary highway system (\$150 million). The State has issued all of the authorized highway bonds.

Credit Ratings

Credit ratings are the rating agencies' assessment of a governmental entity's ability and willingness to repay debt on a timely basis. Credit ratings are an important factor in the public credit markets and can influence interest rates a borrower must pay.

The State's general obligation bond credit ratings are as follows:

State of North Carolina General Obligation Bond Credit Ratings		
<u>Rating Agency</u>	<u>Rating</u>	<u>Outlook</u>
Fitch Ratings	AAA	Stable
Moody's Investors Service	Aaa	Stable
Standard & Poor's Rating Services	AAA	Stable

These ratings are the highest attainable from all three rating agencies. During the 2013-14 fiscal year, the State issued general obligation and limited obligation refunding bonds. In connection with the refundings, Standard & Poor's, Moody's Investors Service, and Fitch Ratings, the top three rating agencies, all affirmed the triple-A bond rating for the State. A triple-A credit rating means that North Carolina has followed well-defined financial management policies and has demonstrated strong debt management practices. The top three rating agencies affirmed the triple-A rating on the General Obligation Refunding Bonds and assigned a rating at one level below triple-A to the Limited Obligation Bonds issued. The rating agencies recognized the State's historically conservative budgeting, financial management, and debt issuance practices. North Carolina remains one of only ten states with a triple-A rating from all three rating agencies.

Special indebtedness is not subject to a vote of the people and its repayment is based on the State's annual debt service appropriation. For these reasons, special indebtedness is rated lower than the State's general obligation bonds and typically carries a higher interest rate.

Limitations on Debt

The Constitution of North Carolina (Article 5, Section 3) imposes limitations upon the increase of certain state debt. It restricts the General Assembly from contracting debts secured by a pledge of the faith and credit of the State, unless approved by a majority of the qualified voters of the State, except for the following purposes:

1. To fund or refund a valid existing debt;
2. To supply an unforeseen deficiency in the revenue;
3. To borrow in anticipation of the collection of taxes due and payable within the current fiscal year to an amount not exceeding 50 percent of such taxes;
4. To suppress riots or insurrections; or to repel invasions;
5. To meet emergencies immediately threatening the public health or safety, as conclusively determined in writing by the Governor; and
6. For any other lawful purpose, to the extent of two-thirds of the amount by which the State's outstanding indebtedness shall have been reduced during the preceding biennium.

The 2013-14 Session of the General Assembly enacted legislation (Session Law 2013-78) to limit the amount of special indebtedness that the State may incur. According to this law, special indebtedness authorized by legislation enacted after January 1, 2013 cannot exceed 25% of the total bond indebtedness of the State supported by the General Fund that was authorized pursuant to legislation enacted after January 1, 2013.

More detailed information about the State's long-term liabilities is presented in Note 8 to the financial statements.

FUTURE OUTLOOK

Next Year's Budget and Rates

The 2014 Session of the General Assembly made adjustments to the second year of the General Fund biennial budget (i.e., fiscal year 2014-15). The initial biennial budget was enacted during the previous legislative session. The Appropriations Act of 2014 (Session Law 2014-100) addressed three major budgetary priorities by 1) responding to revenue under-collections in fiscal year 2013-14 and a downward revision in consensus revenue estimates for fiscal year 2014-15, 2) providing additional funding for the Medicaid Program, and 3) providing salary increases for State and public school employees and a retiree cost of living adjustment. The General Assembly also made technical and clarifying changes to the corporate income tax and imposed an excise tax of five cents per fluid milliliter on the consumable portion of vapor products, commonly referred to as electronic cigarettes (Session Law 2014-4).

The 2013 Session of the General Assembly enacted a variety of major tax changes in the biennial budget (Session Law 2013-316). The individual income tax rate was reduced from 5.8% in 2014 to 5.75% in 2015; the corporate income tax rate was reduced from 6% in 2014 to 5% in 2015. If state revenue targets are met, the corporate income tax rate will be further reduced to 4% in 2016 and 3% in 2017. The sales tax was expanded to include electricity and piped natural gas (effective July 1, 2014) and some service contracts, and entertainment activities (effective January 1, 2014). In addition, a number of special exemptions and preferential rates were repealed.

Escheats Fund

North Carolina's escheats policies date back to 1789 when the State Constitution called for transferring unclaimed property to the University of North Carolina. In 1970, voters approved a constitutional amendment moving the fund to the Department of State Treasurer. Per statutes, the interest earned on the Escheats Fund goes to the State Education Assistance Authority to pay for grants, loans and scholarships for North Carolina students attending public universities and community colleges. In addition, since 2003 the State has used the Escheat Fund's principal to fund student financial aid. The State Treasurer has cautioned the legislature that continued principal withdrawals will have a negative impact on the fund in the near term. At June 30, 2014, the Escheats Fund carried a fund balance of \$499.11 million. However, as the custodian of these funds, North Carolina remains liable to the rightful owners for the full amount of unclaimed property reported to the Department of State Treasurer. This includes an additional \$1.01 billion which has been reported since June 1971, but has been appropriated by the legislature from the Escheat Fund principal over the last 11 years.

State Health Plan

The Board of Trustees of the State Health Plan for Teachers and State Employees (SHP Board of Trustees) approved benefit changes to increase member options, encourage member engagement in healthy lifestyles, and constrain future State Health Plan costs. The new options went into effect January 1, 2014 and will continue in 2015.

The General Assembly enacted legislation (S.L. 2014-100) establishing a new health benefit eligibility category for nonpermanent full-time employees. This legislation was necessary to comply with the federal Patient Protection and Affordable Care Act (ACA), which requires employers to offer coverage to employees expected to work 30 or more hours per week. The legislation also directed the Treasurer and SHP Board of Trustees to establish a new health benefit plan option exclusively for these "newly eligible" employees that provides minimum essential coverage at no greater than the ACA "Bronze" level and that minimizes the employer contribution in an administratively feasible manner. The SHP Board of Trustees approved a High Deductible Health Plan design in August 2014 that meets the requirements of ACA and reduces monthly employer contributions to \$117.62, approximately \$330 less than the monthly employer contributions for permanent full-time employees. Eligible nonpermanent employees will be able to sign up for coverage under the new plan during open enrollment, and coverage will begin January 1, 2015.

Prison Closings

In connection with the Justice Reinvestment Act (Session Law 2011-192), five prisons closed during the 2013-14 fiscal year. This act made significant changes in the sentencing laws and correctional policies of the State. The intent of this legislation was to reduce spending on incarceration and to redirect the savings into community-based treatment alternatives that are proven to reduce criminality. Additional facilities will close, consolidate and be converted to different missions during the 2014-15 fiscal year as a result of the declining prison population.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the North Carolina Office of the State Controller, Accounting and Financial Reporting Section, 1410 Mail Service Center, Raleigh, N.C. 27699-1410. In addition, this financial report is available on the Office of the State Controller's internet home page at <http://www.osc.nc.gov/financial/index.html> .



*BASIC
FINANCIAL
STATEMENTS*

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*GOVERNMENT-WIDE
FINANCIAL
STATEMENTS*

STATEMENT OF NET POSITION

June 30, 2014

(Dollars in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3).....	\$ 4,104,184	\$ 569,583	\$ 4,673,767	\$ 2,835,428
Investments (Note 3).....	264,857	165,291	430,148	3,353,495
Securities lending collateral (Note 3).....	763,593	134,558	898,151	—
Receivables, net (Note 4).....	3,284,029	692,740	3,976,769	1,415,097
Due from component units (Note 18).....	1,930	—	1,930	6,614
Due from primary government (Note 18).....	—	—	—	192,641
Internal balances.....	15,050	(15,050)	—	—
Inventories.....	188,733	1,084	189,817	129,709
Prepaid items.....	1,500	15,152	16,652	79,846
Advances to component units.....	4,326	—	4,326	—
Notes receivable, net (Note 4).....	81,372	980,131	1,061,503	3,612,285
Investment in joint venture.....	—	—	—	66,195
Equity interest in component unit.....	146,968	—	146,968	—
Securities held in trust.....	44,400	—	44,400	—
Pension assets (Note 12).....	6,176	—	6,176	—
Restricted/designated cash and cash equivalents (Note 3).....	369,819	2,702	372,521	2,496,455
Restricted investments (Note 3).....	320,127	830,344	1,150,471	5,525,962
Restricted due from primary government (Note 18).....	—	—	—	24,311
Restricted due from component units (Note 18).....	—	—	—	4,580
Capital assets-nondepreciable (Note 5).....	18,738,180	366,496	19,104,676	1,743,664
Capital assets-depreciable, net (Note 5).....	25,707,802	822,736	26,530,538	13,973,942
Total Assets.....	<u>54,043,046</u>	<u>4,565,767</u>	<u>58,608,813</u>	<u>35,460,224</u>
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives.....	—	—	—	122,798
Deferred loss on refunding.....	120,624	—	120,624	27,613
Forward funded state aid.....	95,865	—	95,865	—
Other deferred outflow.....	—	—	—	3,783
Total Deferred Outflows of Resources.....	<u>216,489</u>	<u>—</u>	<u>216,489</u>	<u>154,194</u>
Liabilities				
Accounts payable and accrued liabilities.....	1,492,983	150,171	1,643,154	1,019,379
Medical claims payable.....	852,380	—	852,380	232,676
Unemployment benefits payable.....	—	7,804	7,804	—
Tax refunds payable.....	1,188,612	—	1,188,612	—
Obligations under securities lending.....	764,153	135,550	899,703	—
Interest payable.....	54,735	130,335	185,070	62,533
Short-term debt (Note 6).....	—	—	—	40,331
Due to component units (Note 18).....	216,952	—	216,952	11,194
Due to primary government (Note 18).....	—	—	—	1,930
Unearned revenue.....	380,764	37,335	418,099	275,882
Advance from primary government.....	—	—	—	4,326
Deposits payable.....	4,056	1,557	5,613	14,483
Funds held for others.....	73,777	—	73,777	1,983,963
Hedging derivatives liability (Note 7).....	—	—	—	122,798
Long-term liabilities (Note 8):				
Due within one year.....	660,983	1,006,220	1,667,203	631,566
Due in more than one year.....	7,690,394	1,626,559	9,316,953	8,010,831
Total Liabilities.....	<u>13,379,789</u>	<u>3,095,531</u>	<u>16,475,320</u>	<u>12,411,892</u>
Deferred Inflows of Resources				
Deferred state aid.....	—	—	—	95,865

STATEMENT OF NET POSITION

June 30, 2014

Exhibit A-1

(Dollars in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets.....	42,197,283	433,740	42,631,023	10,901,768
Restricted for:				
Nonexpendable:				
Environment and natural resources.....	101,278	—	101,278	—
Higher education.....	533	—	533	2,218,392
Expendable:				
Primary and secondary education.....	1,711	—	1,711	—
Higher education.....	504,150	—	504,150	4,334,296
Health and human services.....	22,549	—	22,549	41
Economic development.....	19,503	—	19,503	717,889
Environment and natural resources.....	47,717	—	47,717	—
Public safety, corrections, and regulation.....	50,406	—	50,406	—
Transportation.....	571	—	571	—
Other purposes.....	115,289	894	116,183	—
Unrestricted.....	(2,181,244)	1,035,602	(1,145,642)	4,934,275
Total Net Position.....	<u>\$ 40,879,746</u>	<u>\$ 1,470,236</u>	<u>\$ 42,349,982</u>	<u>\$ 23,106,661</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
General government.....	\$ 1,076,898	\$ 242,809	\$ 23,420	\$ 2,223	\$ (808,446)
Primary and secondary education.....	9,772,994	8,641	1,517,315	—	(8,247,038)
Higher education.....	3,901,543	107,412	34,980	—	(3,759,151)
Health and human services.....	17,812,888	324,689	12,877,380	—	(4,610,819)
Economic development.....	420,464	19,802	252,696	—	(147,966)
Environment and natural resources.....	484,718	156,105	95,316	18,722	(214,575)
Public safety, corrections, and regulation.....	2,911,146	582,445	159,385	1,821	(2,167,495)
Transportation.....	2,607,663	730,048	266,454	1,231,469	(379,692)
Agriculture.....	191,242	31,762	34,360	6,071	(119,049)
Interest on long-term debt.....	216,521	—	—	—	(216,521)
Total Governmental Activities.....	<u>39,396,077</u>	<u>2,203,713</u>	<u>15,261,306</u>	<u>1,260,306</u>	<u>(20,670,752)</u>
Business-type Activities					
Unemployment Compensation.....	700,190	1,651,108	234,419	—	1,185,337
N.C. State Lottery.....	1,341,219	1,844,636	718	—	504,135
EPA Revolving Loan.....	27,789	22,603	90,936	—	85,750
N.C. Turnpike Authority.....	88,278	24,725	13,544	11,799	(38,210)
Regulatory programs.....	75,734	79,744	814	—	4,824
Insurance programs.....	18,427	10,780	4,565	—	(3,082)
North Carolina State Fair.....	13,957	14,828	527	90	1,488
Other business-type activities.....	12,823	10,781	1,058	53	(931)
Total Business-type Activities.....	<u>2,278,417</u>	<u>3,659,205</u>	<u>346,581</u>	<u>11,942</u>	<u>1,739,311</u>
Total Primary Government.....	<u>\$ 41,674,494</u>	<u>\$ 5,862,918</u>	<u>\$ 15,607,887</u>	<u>\$ 1,272,248</u>	<u>\$ (18,931,441)</u>
Component Units					
University of North Carolina System.....	\$ 10,525,753	\$ 6,891,268	\$ 1,630,483	\$ 176,366	\$ (1,827,636)
Community Colleges.....	2,203,868	305,363	915,597	221,339	(761,569)
State Health Plan.....	2,831,105	2,934,170	78,704	—	181,769
Other component units.....	981,704	546,729	481,145	2,684	48,854
Total Component Units.....	<u>\$ 16,542,430</u>	<u>\$ 10,677,530</u>	<u>\$ 3,105,929</u>	<u>\$ 400,389</u>	<u>\$ (2,358,582)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF ACTIVITIESFor the Fiscal Year Ended June 30, 2014
(Dollars in Thousands)

Exhibit A-2

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in Net Position				
Net (expense) revenue	\$ (20,670,752)	\$ 1,739,311	\$ (18,931,441)	\$ (2,358,582)
General Revenues:				
Taxes:				
Individual income tax.....	10,576,575	—	10,576,575	—
Corporate income tax.....	1,318,091	—	1,318,091	—
Sales and use tax.....	5,839,362	—	5,839,362	—
Gasoline tax.....	1,907,803	—	1,907,803	—
Franchise tax.....	888,815	—	888,815	—
Highway use tax.....	596,801	—	596,801	—
Insurance tax.....	476,402	—	476,402	—
Beverage tax.....	342,784	—	342,784	—
Tobacco products tax.....	273,426	—	273,426	—
Other taxes.....	348,938	—	348,938	—
Tobacco settlement.....	139,169	—	139,169	—
Unrestricted investment earnings.....	19,452	—	19,452	—
State aid.....	—	—	—	3,525,774
Miscellaneous.....	184,502	3	184,505	2,768
Contributions to permanent funds.....	3,861	—	3,861	—
Contributions to endowments.....	—	—	—	108,730
Transfers.....	429,810	(429,810)	—	—
Total general revenues, contributions, and transfers.....	23,345,791	(429,807)	22,915,984	3,637,272
Change in net position.....	2,675,039	1,309,504	3,984,543	1,278,690
Net position — July 1, as restated (Note 23).....	38,204,707	160,732	38,365,439	21,827,971
Net position — June 30.....	\$ 40,879,746	\$ 1,470,236	\$ 42,349,982	\$ 23,106,661

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*FUND FINANCIAL
STATEMENTS*

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2014

Exhibit B-1

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents (Note 3).....	\$ 2,018,474	\$ 411,886	\$ 837,169	\$ 746,973	\$ 4,014,502
Investments (Note 3).....	5,628	—	—	228,946	234,574
Securities lending collateral (Note 3).....	492,035	56,933	105,547	101,763	756,278
Receivables, net: (Note 4)					
Taxes receivable.....	1,841,265	129,062	44,305	2,183	2,016,815
Accounts receivable.....	246,648	15,219	82	22,159	284,108
Intergovernmental receivable.....	909,702	70,850	—	871	981,423
Interest receivable.....	4,193	227	306	301	5,027
Other receivables.....	—	4,287	—	—	4,287
Due from other funds (Note 10).....	5,356	—	62	7,063	12,481
Due from component units (Note 18).....	—	1,224	—	—	1,224
Inventories.....	73,958	88,036	—	26,481	188,475
Advances to other funds (Note 10).....	—	—	24,495	—	24,495
Advances to component units.....	—	4,326	—	—	4,326
Notes receivable, net (Note 4).....	39,498	780	58	41,036	81,372
Securities held in trust.....	396	921	—	43,083	44,400
Restricted/designated cash and cash equivalents (Note 3).....	85,363	—	—	284,456	369,819
Restricted investments (Note 3).....	—	4,086	—	316,041	320,127
Total Assets.....	5,722,516	787,837	1,012,024	1,821,356	9,343,733
Deferred Outflows of Resources					
Forward funded state aid.....	36,005	—	—	59,860	95,865
Total Assets and Deferred Outflows.....	\$ 5,758,521	\$ 787,837	\$ 1,012,024	\$ 1,881,216	\$ 9,439,598
Liabilities					
Accounts payable and accrued liabilities:					
Accounts payable.....	\$ 128,165	\$ 274,358	\$ 24,403	\$ 43,247	\$ 470,173
Accrued payroll.....	3,282	42,057	—	139	45,478
Intergovernmental payable.....	686,489	154,112	—	5,339	845,940
Claims payable.....	—	—	—	52,500	52,500
Medical claims payable.....	852,380	—	—	—	852,380
Tax refunds payable.....	1,181,509	5,327	1,776	—	1,188,612
Obligations under securities lending.....	491,837	55,854	107,723	101,406	756,820
Due to fiduciary funds (Note 10).....	83,486	6,999	—	—	90,485
Due to other funds (Note 10).....	37,951	4,687	—	650	43,288
Due to component units (Note 18).....	192,641	—	—	24,311	216,952
Unearned revenue.....	353,668	16,934	—	2,138	372,740
Deposits payable.....	4,052	—	—	4	4,056
Funds held for others.....	19,559	11,039	—	43,179	73,777
Total Liabilities.....	4,035,019	571,367	133,902	272,913	5,013,201
Deferred Inflows of Resources					
Unavailable revenue.....	179,966	1,598	—	2,531	184,095
Fund Balances (Note 11)					
Nonspendable.....	73,958	88,036	—	128,492	290,486
Restricted.....	83,885	4,638	—	763,810	852,333
Committed.....	907,176	122,198	878,122	713,470	2,620,966
Assigned.....	283,280	—	—	—	283,280
Unassigned.....	195,237	—	—	—	195,237
Total Fund Balances.....	1,543,536	214,872	878,122	1,605,772	4,242,302
Total Liabilities, Deferred Inflows and Fund Balances.....	\$ 5,758,521	\$ 787,837	\$ 1,012,024	\$ 1,881,216	\$ 9,439,598

The accompanying Notes to the Financial Statements are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2014

Exhibit B-1a

(Dollars in Thousands)

Total fund balances - governmental funds (see Exhibit B-1) \$ 4,242,302

Amounts reported for governmental activities in the Statement of Net Position are different because:

<ul style="list-style-type: none"> – Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (see Note 5). These consist of: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Cost of capital assets (excluding internal service funds).....</td> <td style="text-align: right;">\$ 44,986,227</td> <td></td> </tr> <tr> <td>Less: Accumulated depreciation (excluding internal service funds).....</td> <td style="text-align: right;">(641,858)</td> <td></td> </tr> <tr> <td>Net capital assets.....</td> <td></td> <td style="text-align: right;">44,344,369</td> </tr> </table> – Some assets, such as receivables, are not available soon enough to pay for current period expenditures and thus, are offset by unavailable revenue in the governmental funds. 184,095 – Equity interest in component unit is not a financial resource and, therefore, is not reported in the funds. 146,968 – Pension assets, resulting from contributions in excess of the annual required contribution are not financial resources and, therefore, are not reported in the funds (see Note 12). 6,176 – Deferred losses on refundings are reported in the Statement of Net Position (to be amortized as interest expense) but are not reported in the funds. 120,624 – Long-term debt instruments, such as bonds and notes payable, are not due and payable in the current period and, therefore, the outstanding balances are not reported in the funds (see Note 8). Also, unamortized debt premiums are reported in the Statement of Net Position but are not reported in the funds. These balances consist of: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">General obligation bonds payable.....</td> <td style="text-align: right;">(3,607,100)</td> <td></td> </tr> <tr> <td>Lease-purchase revenue bonds payable.....</td> <td style="text-align: right;">(4,125)</td> <td></td> </tr> <tr> <td>Certificates of participation payable.....</td> <td style="text-align: right;">(247,615)</td> <td></td> </tr> <tr> <td>Limited obligation bonds payable.....</td> <td style="text-align: right;">(2,132,085)</td> <td></td> </tr> <tr> <td>GARVEE bonds payable.....</td> <td style="text-align: right;">(395,275)</td> <td></td> </tr> <tr> <td>Unamortized debt premiums (to be amortized as interest expense).....</td> <td style="text-align: right;">(558,928)</td> <td></td> </tr> <tr> <td>Notes payable.....</td> <td style="text-align: right;">(39,738)</td> <td></td> </tr> <tr> <td>Capital leases payable (excluding internal service funds).....</td> <td style="text-align: right;">(17,546)</td> <td></td> </tr> <tr> <td>Net long-term debt.....</td> <td></td> <td style="text-align: right;">(7,002,412)</td> </tr> </table> – Other liabilities not due and payable in the current period and, therefore, not reported in the funds (see Note 8 as applicable) consist of: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Accrued interest payable.....</td> <td style="text-align: right;">(54,735)</td> <td></td> </tr> <tr> <td>Compensated absences (excluding internal service funds).....</td> <td style="text-align: right;">(414,723)</td> <td></td> </tr> <tr> <td>Obligations for workers' compensation.....</td> <td style="text-align: right;">(177,714)</td> <td></td> </tr> <tr> <td>Death benefit payable.....</td> <td style="text-align: right;">(490)</td> <td></td> </tr> <tr> <td>Pollution remediation payable.....</td> <td style="text-align: right;">(7,004)</td> <td></td> </tr> <tr> <td>Claims and judgments payable.....</td> <td style="text-align: right;">(741,703)</td> <td></td> </tr> <tr> <td>Net pension obligation.....</td> <td style="text-align: right;">(1,146)</td> <td></td> </tr> <tr> <td>Total other liabilities.....</td> <td></td> <td style="text-align: right;">(1,397,515)</td> </tr> </table> – Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position (see Exhibit B-3). 235,139 	Cost of capital assets (excluding internal service funds).....	\$ 44,986,227		Less: Accumulated depreciation (excluding internal service funds).....	(641,858)		Net capital assets.....		44,344,369	General obligation bonds payable.....	(3,607,100)		Lease-purchase revenue bonds payable.....	(4,125)		Certificates of participation payable.....	(247,615)		Limited obligation bonds payable.....	(2,132,085)		GARVEE bonds payable.....	(395,275)		Unamortized debt premiums (to be amortized as interest expense).....	(558,928)		Notes payable.....	(39,738)		Capital leases payable (excluding internal service funds).....	(17,546)		Net long-term debt.....		(7,002,412)	Accrued interest payable.....	(54,735)		Compensated absences (excluding internal service funds).....	(414,723)		Obligations for workers' compensation.....	(177,714)		Death benefit payable.....	(490)		Pollution remediation payable.....	(7,004)		Claims and judgments payable.....	(741,703)		Net pension obligation.....	(1,146)		Total other liabilities.....		(1,397,515)	<hr style="border: 0.5px solid black;"/> Total net position - governmental activities (see Exhibit A-1) \$ 40,879,746
Cost of capital assets (excluding internal service funds).....	\$ 44,986,227																																																												
Less: Accumulated depreciation (excluding internal service funds).....	(641,858)																																																												
Net capital assets.....		44,344,369																																																											
General obligation bonds payable.....	(3,607,100)																																																												
Lease-purchase revenue bonds payable.....	(4,125)																																																												
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Limited obligation bonds payable.....	(2,132,085)																																																												
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Claims and judgments payable.....	(741,703)																																																												
Net pension obligation.....	(1,146)																																																												
Total other liabilities.....		(1,397,515)																																																											

The accompanying Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2014

Exhibit B-2

(Dollars in Thousands)

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Individual income tax.....	\$ 10,576,575	\$ —	\$ —	\$ —	\$ 10,576,575
Corporate income tax.....	1,331,934	—	—	—	1,331,934
Sales and use tax.....	5,838,079	—	—	7,786	5,845,865
Gasoline tax.....	—	1,416,771	473,750	25,549	1,916,070
Franchise tax.....	890,692	—	—	—	890,692
Highway use tax.....	—	—	596,801	—	596,801
Insurance tax.....	476,402	—	—	—	476,402
Beverage tax.....	342,955	—	—	—	342,955
Tobacco products tax.....	277,736	—	—	—	277,736
Other taxes.....	246,652	—	—	104,295	350,947
Federal funds.....	14,526,468	1,364,265	—	76,771	15,967,504
Local funds.....	144,826	21,876	963	6,062	173,727
Investment earnings.....	26,792	21,919	3,633	23,800	76,144
Interest earnings on loans.....	1,098	—	62	637	1,797
Sales and services.....	158,771	3,978	—	150,123	312,872
Rental and lease of property.....	10,083	7,832	2,435	3,441	23,791
Fees, licenses, and fines.....	713,775	607,265	98,148	178,329	1,597,517
Tobacco settlement.....	139,937	—	—	—	139,937
Contributions, gifts, and grants.....	26,441	17,508	3,672	52,051	99,672
Funds escheated.....	—	—	—	106,760	106,760
Federal recovery funds.....	151,757	80,982	—	4,130	236,869
Miscellaneous.....	294,118	9,712	996	16,455	321,281
Total revenues.....	36,175,091	3,552,108	1,180,460	756,189	41,663,848
Expenditures					
Current:					
General government.....	996,506	—	—	40,012	1,036,518
Primary and secondary education.....	9,749,844	—	—	—	9,749,844
Higher education.....	3,742,466	—	—	157,920	3,900,386
Health and human services.....	17,829,047	—	—	72,832	17,901,879
Economic development.....	424,786	—	—	17,578	442,364
Environment and natural resources.....	291,702	—	—	164,397	456,099
Public safety, corrections, and regulation.....	2,642,907	—	—	253,972	2,896,879
Transportation.....	—	3,408,070	744,591	2	4,152,663
Agriculture.....	163,811	—	—	16,037	179,848
Capital outlay.....	—	—	—	127,634	127,634
Debt service:					
Principal retirement.....	432,720	59,545	56,528	4,223	553,016
Interest and fees.....	293,741	20,993	16,586	131	331,451
Debt issuance costs.....	1,193	—	—	—	1,193
Total expenditures.....	36,568,723	3,488,608	817,705	854,738	41,729,774
Excess revenues over (under) expenditures.....	(393,632)	63,500	362,755	(98,549)	(65,926)
Other Financing Sources (Uses)					
Refunding bonds issued.....	506,255	—	—	—	506,255
Other debt issued.....	29	6,704	—	—	6,733
Premium on debt issued.....	98,789	—	—	—	98,789
Payment to refunded bond escrow agent.....	(603,550)	—	—	—	(603,550)
Sale of capital assets.....	6,775	7,557	188	419	14,939
Insurance recoveries.....	9,607	6,284	—	84	15,975
Transfers in (Note 10).....	906,338	53,946	—	273,187	1,233,471
Transfers out (Note 10).....	(284,938)	(267,105)	(94,048)	(159,591)	(805,682)
Total other financing sources (uses).....	639,305	(192,614)	(93,860)	114,099	466,930
Net change in fund balances.....	245,673	(129,114)	268,895	15,550	401,004
Fund balances — July 1, as restated (Note 23).....	1,297,863	343,986	609,227	1,590,222	3,841,298
Fund balances — June 30.....	\$ 1,543,536	\$ 214,872	\$ 878,122	\$ 1,605,772	\$ 4,242,302

The accompanying Notes to the Financial Statements are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2014

Exhibit B-2a

(Dollars in Thousands)

Net change in fund balances - total governmental funds (see Exhibit B-2) \$ 401,004

Amounts reported for governmental activities in the Statement of Activities are different because:

- **Capital outlays** are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlays (including construction-in-progress)	\$ 2,504,187	
Less: Depreciation expense (excluding internal service funds)	(783,687)	
Net capital outlay adjustment		1,720,500

- **Proceeds from the sale of capital assets** increase financial resources in the funds, whereas in the Statement of Activities only the gain or loss on the sale is reported. This adjustment reduces the proceeds by the book value of the capital assets sold. (39,438)

- **Donations of capital assets** do not appear in the governmental funds because they are not financial resources, but increase net position in the Statement of Activities. 3,295

- **Long-term debt** proceeds provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. In the current period, these amounts consist of:

Debt issued or incurred:		
Notes and capital leases issued	(6,733)	
Refunding bonds issued	(506,255)	
Premiums on debt issued	(98,789)	
Principal repayments:		
Bonds, notes, and similar debt	551,613	
Capital leases (excluding internal service funds)	1,403	
Payments to escrow agent for refundings	603,550	
Net debt adjustments		544,789

- **Some revenues** in the Statement of Activities do not provide current financial resources and, therefore, are deferred inflows of resources in the funds. Also, revenues related to prior periods that became available during the current period are reported in the funds but are eliminated in the Statement of Activities. This amount is the net adjustment. (48,812)

- **Change in equity interest** of component unit resulting from capital contributions and net income of component unit are not current financial resources, and therefore, are not recognized in the funds. (16,780)

- **Some expenses** reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in the funds. Also, some payments related to prior periods are recognized in the funds but are eliminated in the Statement of Activities. In the current period, the net adjustments consist of:

Accrued interest	16,457	
Compensated absences (excluding internal service funds)	5,050	
Workers' compensation	(27,463)	
Death benefit	(90)	
Net pension obligation	1,426	
Pollution remediation	(727)	
Amortization of deferred amounts	98,507	
Net expense accruals		93,160

- **Internal service funds** are used by management to charge the costs of certain activities to individual funds. The net revenues of internal service funds are included with governmental activities in the Statement of Activities (see Exhibit B-4). 17,321

Change in net position - governmental activities (see Exhibit A-2) \$ 2,675,039

The accompanying Notes to the Financial Statements are an integral part of this statement.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2014

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Assets				
Current Assets				
Cash and cash equivalents (Note 3).....	\$ 57,274	\$ 421,594	\$ 21,157	\$ 894
Investments (Note 3).....	—	—	4,604	—
Securities lending collateral (Note 3).....	6,664	51,292	3,032	58,203
Receivables: (Note 4)				
Accounts receivable, net.....	110,563	—	22,068	12,136
Intergovernmental receivable.....	144	159	—	407
Interest receivable.....	—	3,490	26	—
Premiums receivable.....	—	—	—	—
Contributions receivable, net.....	522,094	—	—	—
Notes receivable (Note 4).....	—	77,424	—	—
Due from other funds (Note 10).....	14,977	—	—	—
Due from component units (Note 18).....	—	—	—	—
Inventories.....	—	—	—	574
Prepaid items.....	—	—	655	—
Restricted cash and cash equivalents (Note 3).....	—	—	—	2,616
Total current assets.....	<u>711,716</u>	<u>553,959</u>	<u>51,542</u>	<u>74,830</u>
Noncurrent Assets				
Investments (Note 3).....	—	—	53,714	—
Receivables: (Note 4)				
Contributions receivable, net.....	19,188	—	—	—
Notes receivable (Note 4).....	—	902,568	—	—
Prepaid items.....	—	—	1,306	9,654
Restricted investments (Note 3).....	—	—	—	830,344
Capital assets-nondepreciable (Note 5).....	—	—	—	356,185
Capital assets-depreciable, net (Note 5).....	—	58	1,331	778,575
Total noncurrent assets.....	<u>19,188</u>	<u>902,626</u>	<u>56,351</u>	<u>1,974,758</u>
Total Assets.....	<u>730,904</u>	<u>1,456,585</u>	<u>107,893</u>	<u>2,049,588</u>
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable.....	19,593	137	40,498	1,378
Accrued payroll.....	—	—	415	—
Intergovernmental payable.....	51,884	—	—	136
Claims payable.....	—	—	—	—
Unemployment benefits payable.....	7,804	—	—	—
Obligations under securities lending.....	6,643	51,596	2,770	59,022
Interest payable.....	30,789	—	—	38,080
Due to fiduciary funds (Note 10).....	—	—	—	4,678
Due to other funds (Note 10).....	729	28	4,628	64
Unearned revenue.....	2,999	—	—	—
Deposits payable.....	—	—	—	1,544
Annuity and life income payable (Note 8).....	—	—	4,604	—
Notes payable (Note 8).....	—	—	—	—
Capital leases payable (Note 8).....	—	—	—	—
Bonds payable (Note 8).....	—	—	—	19,720
Federal unemployment account advances (Note 8).....	980,986	—	—	—
Compensated absences (Note 8).....	—	40	294	6
Total current liabilities.....	<u>1,101,427</u>	<u>51,801</u>	<u>53,209</u>	<u>124,628</u>

<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities — Internal Service Funds</u>
\$ 68,664	\$ 569,583	\$ 89,682
92,361	96,965	30,283
15,367	134,558	7,315
764	145,531	17,434
—	710	—
70	3,586	10
1,631	1,631	686
—	522,094	—
3	77,427	—
—	14,977	22,094
—	—	706
510	1,084	258
3,536	4,191	1,500
86	2,702	—
<u>182,992</u>	<u>1,575,039</u>	<u>169,968</u>
14,612	68,326	—
—	19,188	—
136	902,704	—
1	10,961	—
—	830,344	—
10,311	366,496	3,396
<u>42,772</u>	<u>822,736</u>	<u>98,217</u>
<u>67,832</u>	<u>3,020,755</u>	<u>101,613</u>
<u>250,824</u>	<u>4,595,794</u>	<u>271,581</u>
2,584	64,190	8,911
117	532	3,907
3	52,023	10
28,711	28,711	1,340
—	7,804	—
15,519	135,550	7,333
—	68,869	—
—	4,678	—
83	5,532	732
34,336	37,335	8,024
13	1,557	—
—	4,604	—
217	217	—
—	—	158
—	19,720	—
—	980,986	—
<u>353</u>	<u>693</u>	<u>450</u>
<u>81,936</u>	<u>1,413,001</u>	<u>30,865</u>

Continued

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Continued)**

June 30, 2014

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Noncurrent Liabilities				
Accounts payable.....	—	—	—	—
Interest payable.....	—	—	—	61,466
Advances from other funds (Note 10).....	—	—	—	24,495
Annuity and life income payable (Note 8).....	—	—	53,714	—
Notes payable (Note 8).....	—	—	—	372,877
Capital leases payable (Note 8).....	—	—	—	—
Bonds payable, net (Note 8).....	—	—	—	1,189,275
Compensated absences (Note 8).....	—	529	970	77
Total noncurrent liabilities.....	<u>—</u>	<u>529</u>	<u>54,684</u>	<u>1,648,190</u>
Total Liabilities.....	<u>1,101,427</u>	<u>52,330</u>	<u>107,893</u>	<u>1,772,818</u>
Net Position				
Net investment in capital assets.....	—	58	1,331	383,254
Restricted for:				
Capital outlay.....	—	—	—	—
Other purposes.....	—	—	—	—
Unrestricted.....	(370,523)	1,404,197	(1,331)	(106,484)
Total Net Position.....	<u>\$ (370,523)</u>	<u>\$ 1,404,255</u>	<u>\$ —</u>	<u>\$ 276,770</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities — Internal Service Funds</u>
37	37	—
—	61,466	—
—	24,495	—
—	53,714	—
3,775	376,652	—
—	—	165
—	1,189,275	—
5,342	6,918	5,412
<u>9,154</u>	<u>1,712,557</u>	<u>5,577</u>
<u>91,090</u>	<u>3,125,558</u>	<u>36,442</u>
49,097	433,740	101,290
86	86	—
808	808	—
109,743	1,035,602	133,849
<u>\$ 159,734</u>	<u>\$ 1,470,236</u>	<u>\$ 235,139</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Operating Revenues				
Employer unemployment contributions.....	\$ 1,620,455	\$ —	\$ —	\$ —
Federal funds.....	30,653	—	—	—
Sales and services.....	—	3,633	1,839,211	382
Student tuition and fees, net.....	—	—	—	—
Interest earnings on loans.....	—	18,970	—	—
Rental and lease earnings.....	—	—	—	139
Fees, licenses, and fines.....	—	—	5,257	5,220
Toll revenues.....	—	—	—	18,980
Insurance premiums.....	—	—	—	—
Miscellaneous.....	—	—	168	4
Total operating revenues.....	<u>1,651,108</u>	<u>22,603</u>	<u>1,844,636</u>	<u>24,725</u>
Operating Expenses				
Personal services.....	—	5,640	18,127	1,460
Supplies and materials.....	—	100	1,440	8,356
Services.....	—	1,566	182,660	6,367
Cost of goods sold.....	—	—	—	382
Depreciation.....	—	19	439	16,130
Lottery prizes.....	—	—	1,135,052	—
Claims.....	—	—	—	—
Unemployment benefits.....	632,913	—	—	—
Insurance and bonding.....	—	13	10	386
Other.....	—	183	3,477	1,014
Total operating expenses.....	<u>632,913</u>	<u>7,521</u>	<u>1,341,205</u>	<u>34,095</u>
Operating income (loss).....	<u>1,018,195</u>	<u>15,082</u>	<u>503,431</u>	<u>(9,370)</u>
Nonoperating Revenues (Expenses)				
Noncapital grants.....	446	88,920	—	—
Noncapital gifts, net.....	—	—	—	—
Investment earnings.....	517	2,016	669	2,183
Interest and fees.....	(44,285)	—	—	(54,125)
Insurance recoveries.....	—	—	—	23
Grants, aid and subsidies.....	—	(20,224)	—	—
Gain (loss) on sale of equipment.....	—	—	—	—
Gain on extinguishment of debt.....	233,456	—	—	—
Federal interest subsidy on debt.....	—	—	—	11,338
Miscellaneous.....	(22,992)	(44)	35	(58)
Total nonoperating revenues (expenses).....	<u>167,142</u>	<u>70,668</u>	<u>704</u>	<u>(40,639)</u>
Income (loss) before contributions and transfers.....	1,185,337	85,750	504,135	(50,009)
Capital contributions.....	—	—	—	11,799
Transfers in (Note 10).....	10,000	14,486	—	61,201
Transfers out (Note 10).....	(1,878)	(707)	(504,135)	(14,646)
Change in net position.....	<u>1,193,459</u>	<u>99,529</u>	<u>—</u>	<u>8,345</u>
Net position — July 1, as restated (Note 23).....	(1,563,982)	1,304,726	—	268,425
Net position — June 30.....	<u>\$ (370,523)</u>	<u>\$ 1,404,255</u>	<u>\$ —</u>	<u>\$ 276,770</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities — Internal Service Funds
\$ —	\$ 1,620,455	\$ —
—	30,653	—
1,605	1,844,831	356,254
12	12	—
—	18,970	—
7,537	7,676	63
95,725	106,202	1,729
—	18,980	—
10,780	10,780	21,544
474	646	5,884
<u>116,133</u>	<u>3,659,205</u>	<u>385,474</u>
64,069	89,296	103,122
2,979	12,875	24,896
28,540	219,133	167,474
363	745	441
2,914	19,502	18,587
—	1,135,052	—
12,884	12,884	1,238
—	632,913	—
4,758	5,167	21,761
4,169	8,843	37,228
<u>120,676</u>	<u>2,136,410</u>	<u>374,747</u>
<u>(4,543)</u>	<u>1,522,795</u>	<u>10,727</u>
558	89,924	531
1,356	1,356	—
4,979	10,364	1,942
(93)	(98,503)	(34)
—	23	149
—	(20,224)	—
(161)	(161)	1,278
—	233,456	—
—	11,338	—
63	(22,996)	180
<u>6,702</u>	<u>204,577</u>	<u>4,046</u>
2,159	1,727,372	14,773
143	11,942	527
7,168	92,855	6,878
(1,299)	(522,665)	(4,857)
8,171	1,309,504	17,321
151,563	160,732	217,818
<u>\$ 159,734</u>	<u>\$ 1,470,236</u>	<u>\$ 235,139</u>

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Cash Flows From Operating Activities				
Receipts from customers.....	\$ 1,604,176	\$ 3,633	\$ 1,711,791	\$ 17,397
Receipts from federal agencies.....	31,437	—	—	—
Receipts from other funds.....	—	—	—	—
Payments to suppliers.....	—	(1,709)	(57,180)	(13,438)
Payments to employees.....	—	(5,631)	(18,227)	(1,440)
Payments for prizes, benefits, and claims.....	(667,846)	—	(1,120,520)	—
Payments to other funds.....	—	—	—	—
Other receipts.....	—	—	48	—
Other payments.....	(22,992)	(139)	—	(1,054)
Net cash flows provided (used) by operating activities.....	<u>944,775</u>	<u>(3,846)</u>	<u>515,912</u>	<u>1,465</u>
Cash Provided From (Used For)				
Noncapital Financing Activities				
Grant receipts.....	12,297	88,129	—	—
Federal recovery funds.....	—	665	—	—
Grants, aid, and subsidies.....	—	(20,224)	—	—
Advances from federal unemployment account.....	486,716	—	—	—
Payments to federal unemployment account.....	(1,427,045)	—	—	—
Interest expense and issuance cost.....	(62,496)	—	—	—
Advances from other funds.....	—	—	—	889
Transfers from other funds.....	10,000	14,486	—	—
Transfers to other funds.....	(1,878)	(707)	(526,824)	(14,646)
Gifts.....	—	—	—	—
Insurance recoveries.....	—	—	—	23
Total cash provided from (used for) noncapital financing activities.....	<u>(982,406)</u>	<u>82,349</u>	<u>(526,824)</u>	<u>(13,734)</u>
Cash Provided From (Used For)				
Capital and Related Financing Activities				
Acquisition and construction of capital assets.....	—	(15)	(872)	(21,147)
Proceeds from the sale of capital assets.....	—	—	—	—
Transfers from other funds.....	—	—	—	61,201
Capital grants.....	—	—	—	12,666
Capital contributions.....	—	—	—	—
Principal paid on capital debt.....	—	—	—	(19,150)
Interest paid on capital debt.....	—	—	—	(62,585)
Federal subsidy for interest on debt.....	—	—	—	11,338
Insurance recoveries.....	—	—	—	—
Total cash provided from (used for) capital and related financing activities.....	<u>—</u>	<u>(15)</u>	<u>(872)</u>	<u>(17,677)</u>
Cash Provided From (Used For)				
Investment Activities				
Proceeds from the sale/maturities of non-State Treasurer investments.....	—	—	—	6,932,860
Purchase of non-State Treasurer investments.....	—	—	—	(6,905,626)
Loan issuances.....	—	(117,014)	—	—
Loan repayments — interest.....	—	18,993	—	—
Loan repayments — principal.....	—	76,614	—	—
Investment earnings.....	288	1,491	456	3,411
Total cash provided from (used for) investment activities.....	<u>288</u>	<u>(19,916)</u>	<u>456</u>	<u>30,645</u>
Net increase (decrease) in cash and cash equivalents.....	<u>(37,343)</u>	<u>58,572</u>	<u>(11,328)</u>	<u>699</u>
Cash and cash equivalents at July 1.....	94,617	363,022	32,485	2,811
Cash and cash equivalents at June 30.....	<u>\$ 57,274</u>	<u>\$ 421,594</u>	<u>\$ 21,157</u>	<u>\$ 3,510</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	Governmental Activities — Internal Service Funds
\$ 124,111	\$ 3,461,108	\$ 44,000
—	31,437	—
—	—	332,719
(36,185)	(108,512)	(237,722)
(64,200)	(89,498)	(101,228)
(11,039)	(1,799,405)	(633)
—	—	(13,944)
393	441	361
<u>(2,962)</u>	<u>(27,147)</u>	<u>(100)</u>
<u>10,118</u>	<u>1,468,424</u>	<u>23,453</u>
558	100,984	531
—	665	—
—	(20,224)	—
—	486,716	—
—	(1,427,045)	—
—	(62,496)	—
—	889	—
7,168	31,654	6,878
(1,299)	(545,354)	(4,857)
1,322	1,322	—
—	23	—
<u>7,749</u>	<u>(1,432,866)</u>	<u>2,552</u>
(1,142)	(23,176)	(32,110)
53	53	1,775
—	61,201	—
—	12,666	—
37	37	485
(597)	(19,747)	(124)
(93)	(62,678)	(34)
—	11,338	—
—	—	149
<u>(1,742)</u>	<u>(20,306)</u>	<u>(29,859)</u>
16,682	6,949,542	—
(16,275)	(6,921,901)	—
—	(117,014)	—
—	18,993	—
—	76,614	—
<u>484</u>	<u>6,130</u>	<u>145</u>
891	12,364	145
17,016	27,616	(3,709)
<u>51,734</u>	<u>544,669</u>	<u>93,391</u>
<u>\$ 68,750</u>	<u>\$ 572,285</u>	<u>\$ 89,682</u>

Continued

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Business-type Activities — Enterprise Funds			
	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority
Reconciliation of Operating Income to Net Cash Provided From (Used For) Operating Activities				
Operating income (loss).....	\$ 1,018,195	\$ 15,082	\$ 503,431	\$ (9,370)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation.....	—	19	439	16,130
Interest earnings on loans classified as investing activity.....	—	(18,970)	—	—
Nonoperating miscellaneous income (expense).....	(22,992)	—	48	(58)
(Increases) decreases in assets:				
Receivables.....	(45,349)	—	(4,294)	(7,328)
Due from other funds.....	(6,722)	—	—	—
Due from component units.....	—	—	—	—
Inventories.....	—	—	—	383
Prepaid items.....	—	—	(538)	386
Notes receivable.....	—	—	—	—
Increases (decreases) in liabilities:				
Accounts payable and accrued liabilities.....	26,388	18	16,910	(1,955)
Due to other funds.....	(225)	(4)	—	(12)
Due to fiduciary funds.....	—	—	—	2,816
Unemployment benefits payable.....	(23,437)	—	—	—
Compensated absences.....	—	9	(84)	20
Unearned revenue.....	(1,083)	—	—	—
Deposits payable.....	—	—	—	453
Total cash provided from (used for) operations.....	<u>\$ 944,775</u>	<u>\$ (3,846)</u>	<u>\$ 515,912</u>	<u>\$ 1,465</u>
Noncash Investing, Capital, and Financing Activities				
Noncash distributions from the State Treasurer				
Long-Term Investment Portfolio and/or other agents.....	\$ —	\$ —	\$ —	\$ —
Donated or transferred assets	—	—	—	—
Change in construction in progress as a result of accrual of accounts payable.....	—	—	—	644
Gain on extinguishment of debt.....	233,456	—	—	—
Assets acquired through the assumption of a liability.....	—	—	4,498	—
Change in fair value of investments.....	258	457	192	1,038
Change in securities lending collateral.....	(1,224)	18,699	(1,798)	16,710

<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities — Internal Service Funds</u>
\$ (4,543)	\$ 1,522,795	\$ 10,727
2,914	19,502	18,587
—	(18,970)	—
70	(22,932)	186
1,642	(55,329)	(5,266)
—	(6,722)	(4,358)
—	—	19
3	386	87
1,215	1,063	(397)
(22)	(22)	—
1,920	43,281	3,350
10	(231)	(351)
—	2,816	—
—	(23,437)	—
249	194	(78)
6,659	5,576	947
<u>1</u>	<u>454</u>	<u>—</u>
<u>\$ 10,118</u>	<u>\$ 1,468,424</u>	<u>\$ 23,453</u>
\$ 587	\$ 587	\$ 1,494
13	13	42
—	644	—
—	233,456	—
—	4,498	—
257	2,202	296
5,517	37,904	1,983

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

June 30, 2014

Exhibit B-6

(Dollars in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private- Purpose Trust Funds	Agency Funds
Assets				
Cash and cash equivalents (Note 3).....	\$ 311,787	\$ 10,559	\$ 109,042	\$ 4,871,174
Investments (Note 3):				
U.S. government and agency securities.....	—	—	315	—
Corporate bonds.....	—	—	—	2,389
Certificates of deposit.....	—	—	48,530	525
Collective investment funds.....	238,422	—	—	—
State Treasurer investment pool.....	90,989,368	1,035,053	7,195	43,240
Unallocated insurance contracts.....	810,574	—	—	—
Synthetic guaranteed investment contracts.....	1,215,101	—	—	—
Non-State Treasurer pooled investments.....	6,131,306	—	—	—
Securities lending collateral (Note 3).....	3,709,156	96,822	919	540,710
Receivables:				
Taxes receivable.....	—	—	—	149,500
Accounts receivable.....	32,634	—	—	8,469
Interest receivable.....	213	1,215	3	21
Contributions receivable.....	144,877	—	—	—
Due from other funds (Note 10).....	57,316	—	—	37,847
Due from component units.....	11,772	—	—	—
Notes receivable.....	289,798	—	—	—
Sureties.....	—	—	873,265	100,536
Total Assets.....	<u>103,942,324</u>	<u>1,143,649</u>	<u>1,039,269</u>	<u>5,754,411</u>
Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable.....	1,445	—	—	250
Intergovernmental payable.....	—	—	—	699,062
Benefits payable.....	7,712	—	—	—
Obligations under securities lending.....	3,724,832	97,192	934	542,237
Deposits payable.....	—	—	—	1,960
Funds held for others.....	6,535	—	—	4,510,902
Total Liabilities.....	<u>3,740,524</u>	<u>97,192</u>	<u>934</u>	<u>5,754,411</u>
Net Position				
Restricted for:				
Pension benefits.....	97,254,786	—	—	—
Postemployment benefits.....	1,446,507	—	—	—
Other employee benefits.....	1,500,507	—	—	—
Pool participants.....	—	900,903	—	—
Individuals, organizations, and other governments.....	—	145,554	1,038,335	—
Total Net Position.....	<u>\$ 100,201,800</u>	<u>\$ 1,046,457</u>	<u>\$ 1,038,335</u>	<u>\$ —</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2014

Exhibit B-7

(Dollars in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private- Purpose Trust Funds
Additions			
Contributions:			
Employer.....	\$ 2,683,310	\$ —	\$ —
Members.....	1,553,222	—	—
Trustee deposits.....	—	—	112,443
Other contributions.....	44,519	—	—
Total contributions.....	<u>4,281,051</u>	<u>—</u>	<u>112,443</u>
Investment income:			
Investment earnings.....	14,386,566	51,597	3,080
Less investment expenses.....	(521,852)	(504)	(12)
Net investment income.....	<u>13,864,714</u>	<u>51,093</u>	<u>3,068</u>
Pool share transactions:			
Reinvestment of dividends.....	—	51,239	—
Net share purchases/(redemptions).....	—	(12,869)	—
Net pool share transactions.....	<u>—</u>	<u>38,370</u>	<u>—</u>
Other additions:			
Fees, licenses, and fines.....	3,225	—	—
Interest earnings on loans.....	11,780	—	—
Miscellaneous.....	2,388	—	—
Total other additions.....	<u>17,393</u>	<u>—</u>	<u>—</u>
Total additions.....	<u>18,163,158</u>	<u>89,463</u>	<u>115,511</u>
Deductions			
Claims and benefits.....	5,539,199	—	—
Medical insurance premiums.....	801,815	—	—
Refund of contributions.....	167,712	—	—
Distributions paid and payable.....	—	51,239	—
Payments in accordance with trust arrangements.....	—	—	117,251
Administrative expenses.....	19,897	—	—
Other deductions.....	9,477	—	—
Total deductions.....	<u>6,538,100</u>	<u>51,239</u>	<u>117,251</u>
Change in net position.....	11,625,058	38,224	(1,740)
Net position — July 1, as restated (Note 23).....	<u>88,576,742</u>	<u>1,008,233</u>	<u>1,040,075</u>
Net position — June 30.....	<u>\$ 100,201,800</u>	<u>\$ 1,046,457</u>	<u>\$ 1,038,335</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The accompanying government-wide financial statements present the State of North Carolina and its component units. The State of North Carolina, as primary government, consists of all organizations that make up its legal entity. All funds, organizations, agencies, boards, commissions, and authorities that are not legally separate are, for financial reporting purposes, part of the primary government. The primary government has a separately elected governing body (the General Assembly), and the primary government must be both legally separate and fiscally independent. Component units are legally separate entities for which the State is financially accountable. Accountability is defined as the State's substantive appointment of a majority of the organization's governing board. Furthermore, to be financially accountable, the State must be able to impose its will upon the organization or there must be a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State. Financial accountability also exists when an organization is fiscally dependent on the State and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State. The State's defined benefit pension plans, deferred compensation plans, and other employee benefit plans, being fiduciary in nature, were not evaluated as potential component units but instead are reported as fiduciary funds.

The State's component units are either blended or discretely presented. The blended component unit is so intertwined with the State that it is, in substance, the same as the State and, therefore, is reported as if it was part of the State primary government. The "Component Units" column in the accompanying financial statements includes the financial data of the State's discretely presented component units. They are combined and reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the State.

Blended Component Unit**The North Carolina Infrastructure Finance Corporation**

The North Carolina Infrastructure Finance Corporation (Corporation) was created by the General Assembly and organized as a separate not-for-profit corporation. It is managed by a three-member board appointed by the State Treasurer. The Corporation is authorized to issue tax-exempt debt to finance the acquisition, construction, repair and renovation of state facilities and related infrastructure. The debt obligations are secured by lease-purchase agreements or installment financing contracts with the State, which constitute the imposition of a financial burden on the State. The substance of the financing agreements is that the assets and debt are those of the State (lessee). The Corporation is reported with the State's governmental funds since it provides services entirely to the State and its total debt outstanding is expected to be repaid entirely with resources of the primary government.

Discretely Presented Component Units - Major**University of North Carolina System**

The Board of Governors of the consolidated University of North Carolina (UNC) System is a legally separate body, composed of 32 members elected by the General Assembly. The Board of Governors establishes system-wide administrative policies while budgetary decisions are exercised at the State level. Within the consolidated System are UNC-General Administration, which is the administrative arm of the Board of Governors; the 16 constituent universities; a joint research campus; a constituent high school; and the University of North Carolina Health Care System (UNCHCS). Each of the 16 universities, the joint research campus, and the high school, in turn, is governed by its own separate board of trustees that is responsible for the operations of that campus only. UNCHCS is governed by a separate board of directors. Funding for the UNC System is accomplished by State appropriations, tuition and fees, sales and services, federal grants, state grants, and private donations and grants.

Also included in the System are the financial data of the universities' significant fund-raising foundations (and similarly affiliated organizations). Although the universities do not control the timing or amount of receipts from their foundations, the majority of resources (or income thereon) that the foundations hold and invest are restricted to the activities of the respective universities by the donors. Because these restricted resources held by the foundations can only be used by, or for the benefit of, the specific universities, the foundations are considered component units of the universities and are included in the universities' financial statements. Certain foundations are private not-for-profits that report under Financial Accounting Standards Board pronouncements. As such, certain revenue recognition criteria and presentation features are different from that of the Governmental Accounting Standards Board. The financial statement formats of the private foundations were modified to make them compatible with the universities' financial statement formats.

NOTES TO THE FINANCIAL STATEMENTS

The following constituent institutions comprise the UNC System for financial reporting purposes:

UNC General Administration	University of North Carolina at Charlotte
Appalachian State University	University of North Carolina at Greensboro
East Carolina University	University of North Carolina at Pembroke
Elizabeth City State University	University of North Carolina at Wilmington
Fayetteville State University	University of North Carolina School of the Arts
North Carolina Agricultural and Technical State University	Western Carolina University
North Carolina Central University	Winston-Salem State University
North Carolina State University	Gateway University Research Park, Inc.
University of North Carolina at Asheville	North Carolina School of Science and Mathematics
University of North Carolina at Chapel Hill	University of North Carolina Health Care System

Community Colleges

There are currently 58 community colleges located throughout the State of North Carolina. Each is a separate component unit of the reporting entity and is legally separate. The State does not appoint a voting majority of each community college board of trustees. However, the State is financially accountable for these institutions because the State Board of Community Colleges (the Board) approves the budgeting of state and federal funds, the associated budget revisions, and the selection of the chief administrative officer of each individual community college and because the State provides significant funding to these institutions. The Board is comprised of state officials or their appointees. Each community college is similar in nature and function to all of the others, and the operations of no single community college are considered major in relation to the operations of all community colleges in the system. Therefore, aggregated financial information is presented in this CAFR for all community colleges.

The aggregated financial information for community colleges also includes the financial data of the institutions' significant fundraising foundations. Although the community colleges do not control the timing or amount of receipts from their foundations, the majority of resources (or income thereon) that the foundations hold and invest are restricted to the activities of the respective community colleges by the donors. Because these restricted resources held by the foundations can only be used by, or for the benefit of, the specific community colleges, the foundations are considered component units of the community colleges and are included in the community colleges' financial statements. Certain foundations are private not-for-profits that report under Financial Accounting Standards Board pronouncements. As such, certain revenue recognition criteria and presentation features are different from that of the Governmental Accounting Standards Board. The financial statement formats of the private foundations were modified to make them compatible with the community colleges' financial statement formats.

The following are the State's 58 community colleges:

Alamance Community College	Forsyth Technical Community College	Roanoke-Chowan Community College
Asheville-Buncombe Technical Community College	Gaston College	Robeson Community College
Beaufort County Community College	Guilford Technical Community College	Rockingham Community College
Bladen Community College	Halifax Community College	Rowan-Cabarrus Community College
Blue Ridge Community College	Haywood Community College	Sampson Community College
Brunswick Community College	Isothermal Community College	Sandhills Community College
Caldwell Community College and Technical Institute	James Sprunt Community College	South Piedmont Community College
Cape Fear Community College	Johnston Community College	Southeastern Community College
Carteret Community College	Lenoir Community College	Southwestern Community College
Catawba Valley Community College	Martin Community College	Stanly Community College
Central Carolina Community College	Mayland Community College	Surry Community College
Central Piedmont Community College	McDowell Technical Community College	Tri-County Community College
Cleveland Community College	Mitchell Community College	Vance-Granville Community College
Coastal Carolina Community College	Montgomery Community College	Wake Technical Community College
College of The Albemarle	Nash Community College	Wayne Community College
Craven Community College	Pamlico Community College	Western Piedmont Community College
Davidson County Community College	Piedmont Community College	Wilkes Community College
Durham Technical Community College	Pitt Community College	Wilson Community College
Edgecombe Community College	Randolph Community College	
Fayetteville Technical Community College	Richmond Community College	

State Health Plan

The State Health Plan (Plan) is a legally separate organization established to provide medical and pharmacy benefits to employees and retirees of the State, most of its component units, and local boards of education that are not part of the reporting entity. The Plan is governed by a ten-member board of trustees including the State Treasurer, an ex officio member who serves as chair and votes only in the event of a tie; the Director of the Office of State Budget and Management, a non-voting, ex officio member; two members appointed by the Governor; two members appointed by the State Treasurer; and four members appointed by the General Assembly. Health benefit programs and premium rates are determined by the State Treasurer upon approval of the board of trustees. The State of North Carolina makes significant contributions to the Plan as an employer and through its funding of local boards of education.

NOTES TO THE FINANCIAL STATEMENTS**Discretely Presented Component Units - Other****The Golden LEAF (Long-term Economic Advancement Foundation), Inc.**

The Golden LEAF, Inc. (Foundation) is a legally separate not-for-profit corporation ordered to be created by the Consent Decree and Final Judgment in the State of North Carolina vs. Philip Morris, et al. The Foundation was established to receive and distribute 50% of the tobacco settlement funds allocated to North Carolina, such funds to be used to provide economic impact assistance to economically affected or tobacco-dependent regions of North Carolina. In July 2013, the North Carolina General Assembly enacted Session Law 2013-360, which repealed section 6(1) of Session Law 1999-2 requiring 50% of tobacco settlement funds to be allocated to the Foundation. In fiscal year 2014, these funds were distributed to the State's General Fund rather than the Foundation. The Foundation is governed by a 15-member board, all of whom are appointed by either the Governor, President Pro Tempore of the Senate, or the Speaker of the House. The Foundation provides grants to State agencies and component units, creating a financial benefit/burden relationship.

North Carolina Housing Finance Agency

The North Carolina Housing Finance Agency (Agency) is a legally separate organization established to administer programs to finance housing opportunities for low and moderate income individuals. The Agency has a 13-member board of directors, with 12 appointed by either the Governor or the General Assembly. The 13th member is elected by the other 12. The Agency's mission is defined in its authorizing statute, which is modified or expanded from time to time by the General Assembly. The General Assembly also appropriates funds that assist the Agency in its mission to finance housing for very low income individuals and those with special needs.

State Education Assistance Authority

The State Education Assistance Authority (Authority) is a legally separate authority created to provide a system of financial assistance, consisting of grants, loans, work-study or other employment, and other aids, to qualified students to obtain an education by attending public or private educational institutions. The Authority is governed by a nine-member board of directors, seven of whom are appointed by the Governor and two of whom serve ex-officio by virtue of their positions with the N.C. Community College System and the University of North Carolina System. The State provides program subsidies to the Authority; therefore, a financial benefit/burden relationship exists between the State and the Authority.

North Carolina Global TransPark Authority

The North Carolina Global TransPark Authority (Authority) is a legally separate authority created to administer the development of the North Carolina Global TransPark. Of the 20-member governing board, 19 are voting members. Six of the voting members are appointed by the Governor and six are appointed by the General Assembly. The State has obligated itself to provide significant funding to the Authority; therefore, a financial benefit/burden relationship exists between the State and the Authority. Effective July 2011, the General Assembly enacted legislation that made the Authority subject to the direction and supervision of the North Carolina Secretary of Transportation. Also included in the Authority is the financial data of its discretely presented component unit, the North Carolina Global TransPark Foundation.

North Carolina State Ports Authority

The North Carolina State Ports Authority (Authority) is a legally separate authority established to operate the State's port facilities in Wilmington and Morehead City and inland terminals in Charlotte and Greensboro. It is governed by an 11-member board, all of whom are appointed by either the Governor or the General Assembly. The State has obligated itself to provide significant funding to the Authority; therefore, a financial benefit/burden relationship exists between the State and the Authority. Effective July 2011, the General Assembly enacted legislation that made the Authority subject to and under the direct supervision of the North Carolina Secretary of Transportation.

North Carolina Railroad Company

The North Carolina Railroad Company (Railroad) is a legally separate, for-profit corporation owned by the State for the purpose of promoting trade, industry, and transportation within North Carolina and advancing the economic interests of the State. The Railroad is governed by a 13-member board, all of whom are elected by shares held by the State. A financial benefit/burden relationship exists between the State and the Railroad. Also, the State is financially accountable since the State's intent in owning the Railroad's stock is to directly enhance the State's ability to provide governmental services.

The North Carolina Partnership for Children, Inc.

The North Carolina Partnership for Children, Inc. (Partnership) is a legally separate organization established to develop and oversee a comprehensive long-range strategic plan for high-quality early childhood education and development. A 26-member board governs the Partnership. Certain elected state officials appoint 22 of the members, while three members serve ex officio by virtue of their state positions and one serves as the Director of the N.C. Pre-Kindergarten Program. The State provides significant operating subsidies to the Partnership, creating a financial benefit/burden relationship.

North Carolina Health Insurance Risk Pool, Inc.

The North Carolina Health Insurance Risk Pool (Pool), doing business as Inclusive Health, is a legally separate non-profit organization created to provide affordable health insurance coverage for North Carolinians who do not have access to an employer health

NOTES TO THE FINANCIAL STATEMENTS

plan and face higher insurance premiums because of a pre-existing medical condition. The Pool is governed by a 12-member board. The Commissioner of Insurance serves as an ex-officio, nonvoting member, one member is appointed by the Governor, two by the General Assembly, and eight by the Commissioner of Insurance. The State has obligated itself to provide significant funding to the Pool, creating a financial benefit/burden relationship. The Pool was notified by The Centers for Medicare and Medicaid Services (CMS), the federal agency which administers Medicare and Medicaid, in May 2013 that funding by CMS ceased on June 30, 2013. With the implementation of the Affordable Care Act, the State decided to sunset the Pool's operations on January 1, 2014.

North Carolina Biotechnology Center

The North Carolina Biotechnology Center (Center) is a legally separate nonprofit corporation created to further economic development in North Carolina through education, research, and commercial development in biotechnology. The Center is governed by a 40-member board. Twelve of the board members are appointed by the Governor or General Assembly; four serve as a result of their positions with the UNC System, a component unit of the State; two serve ex officio by virtue of their state positions; and two serve ex officio by virtue of their positions with private universities. The President of the Center serves as an ex officio member. The other members are elected by the board of directors. The State has provided significant funding to the Center since its inception; therefore, a financial benefit/burden relationship exists between the State and the Center.

Centennial Authority

The Centennial Authority (Authority) is a legally separate authority created to study, design, plan, construct, own, promote, finance and operate a regional facility in Wake County, North Carolina. The regional facility consists of an arena where sports, fitness, health, recreational, entertainment or cultural activities can be conducted. The Authority is governed by a twenty-one member board comprised of ten members appointed by the North Carolina General Assembly, four members appointed by the Wake County Board of Commissioners, four members appointed by the Raleigh City Council, one member appointed by the Chancellor of North Carolina State University or the Chancellor's designee, and two members appointed jointly by the mayors of all the cities in Wake County. The facility is located on land owned by the State and leased to the Authority at an annual rent of \$1 per year. Therefore, a financial benefit/burden relationship exists between the State and the Authority.

Availability of Financial Statements

Unless otherwise noted, complete financial statements for the following component units can be obtained from the Office of the State Auditor, 2 South Salisbury Street, 20601 Mail Service Center, Raleigh, N.C. 27699-0601 or can be accessed from the Office of the State Auditor internet home page at www.ncauditor.net.

Constituent institutions in the UNC System
 North Carolina Global TransPark Authority
 North Carolina State Ports Authority
 The North Carolina Partnership for Children, Inc.
 North Carolina Health Insurance Risk Pool, Inc.

Complete financial statements for the following component units can be obtained from the respective administrative offices of those units listed below:

The Golden LEAF, Inc.
 301 North Winstead Avenue
 Rocky Mount, N.C. 27804

North Carolina Railroad Company
 2809 Highwoods Boulevard, Suite 100
 Raleigh, N.C. 27604-1000

Gateway University Research Park, Inc.
 2901 East Lee Street, Suite 2500
 Greensboro, N.C. 27401-4904

NC Housing Finance Agency
 P.O. Box 28066
 Raleigh, N.C. 27611-8066

North Carolina Biotechnology Center
 P.O. Box 13547
 Research Triangle Park, N.C. 27709-3547

State Education Assistance Authority
 P.O. Box 14103
 Research Triangle Park, N.C. 27709-4103

Centennial Authority
 1400 Edwards Mill Road
 Raleigh, N.C. 27607

Complete financial statements of the individual community colleges can be obtained from their respective administrative offices. The addresses of the individual community colleges are available on the internet home page for the N.C. Community College System as follows: <http://www.nccommunitycolleges.edu> (click "Find a College"). The North Carolina Infrastructure Finance Corporation and the State Health Plan do not issue separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS**B. Basis of Presentation**

The accompanying financial statements of the State of North Carolina financial reporting entity have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) as applicable to governments. The Governmental Accounting Standards Board (GASB) establishes standards of financial accounting and reporting for state and local governmental entities. The financial statements of the North Carolina Railroad Company, a for-profit corporation, and the North Carolina Biotechnology Center (discretely presented component units) have been prepared in accordance with FASB pronouncements.

The financial statements are presented as of and for the fiscal year ended June 30, 2014, except for the USS North Carolina Battleship Commission whose statements are as of and for the fiscal year ended September 30, 2013, and the North Carolina Deferred Compensation Plan, the 401(k) Supplemental Retirement Income Plan, and the North Carolina Railroad Company whose statements are as of and for the fiscal year ended December 31, 2013. Occupational licensing boards have financial statements with various fiscal year ending dates.

The basic financial statements include both government-wide (based on the State as a whole) and fund financial statements as follows:

Government-wide Financial Statements

The statement of net position and the statement of activities display information on all the nonfiduciary activities of the primary government (the State) and its component units. Fiduciary activities are excluded from the government-wide statements because they cannot be used to support the State’s own programs. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used between functions. Elimination of these charges would misstate both the expenses of the purchasing function and the program revenues of the selling function. These statements distinguish between the governmental and business-type activities of the State. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Certain charges to other funds or programs for “centralized” expenses also include an overhead markup that is included in direct expenses. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity (including fees, fines and forfeitures and certain grants and contracts that are essentially contracts for services) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity (including restricted investment earnings or losses). Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Unrestricted resources internally dedicated by the State’s governing body (General Assembly) are reported as general revenues rather than as program revenues. The State does not allocate general government (indirect) expenses to other functions.

Fund Financial Statements

The fund financial statements provide information about the State’s funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The State reports the following major governmental funds:

General Fund

This is the State’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway Fund

This fund accounts for most of the activities of the Department of Transportation, including the construction and maintenance of the State’s primary and secondary road systems. In addition, it supports areas such as the N.C. Ferry System, the Division of Motor Vehicles, public transportation, and railroad operations. The fund provides revenue to other State agencies to support initiatives such as the State Highway Patrol and driver’s education. The principal revenues of the Highway Fund are motor fuels taxes, motor vehicle registration fees, driver’s license fees, and federal aid. A portion of the motor fuels taxes is distributed to municipalities for local street projects.

NOTES TO THE FINANCIAL STATEMENTS**Highway Trust Fund**

This fund was established by legislation (Chapter 692 of the 1989 Session Laws) to provide a dedicated funding mechanism to meet highway construction needs for North Carolina. Taxes were increased for the specific purpose of improving identified primary transportation corridors within the State and for the completion of urban loops around seven major metropolitan areas. Additionally, this fund provides supplemental allocations for secondary road construction. The fund also makes transfers to the General Fund, the Highway Fund, and the North Carolina Turnpike Authority. Session Law 2013-183 amends the Highway Trust Fund allocation of resources. Scheduled to be fully implemented by July 1, 2015, it eliminates individually legislated projects and implements a new way for the Department of Transportation to fund and prioritize necessary infrastructure improvements while utilizing existing revenue sources more efficiently. The principal revenues of the Highway Trust Fund are highway use taxes, motor fuels taxes, and various title and registration fees.

The State reports the following major enterprise funds:

Unemployment Compensation Fund

This fund accounts for the State's unemployment insurance program, which is part of a national system established to provide temporary benefit payments to eligible unemployed workers. The administrative costs of this program are reported in the General Fund and financed through the distribution of employer paid federal unemployment insurance taxes. The unemployment benefits are financed primarily by employer paid State unemployment insurance taxes, distributions of federal unemployment insurance taxes for emergency related benefits, and federal funding for the unemployment benefits of civilian and military employees. During fiscal year 2014, the unemployment benefits were primarily financed by repayable advances from the Federal Unemployment Account. The unemployment taxes collected from employers are transferred to the United States Treasury and deposited into North Carolina's Unemployment Insurance Trust Fund.

North Carolina State Lottery Fund

This fund accounts for the activities of the N.C. Education Lottery Commission. The N.C. Education Lottery Commission was created as an independent, self-supporting and revenue raising entity. The purpose of the lottery is to generate funds to provide enhanced educational opportunities, support school construction, and fund college and university scholarships. The net profits of the fund are transferred periodically to the General Fund as required by general statutes.

EPA Revolving Loan Fund

This fund accounts for the activities of the State's clean water and drinking water revolving loan programs, which provide low cost loans to units of local government for the construction of wastewater facilities and drinking water infrastructure. These programs are financed primarily by federal capitalization grants from the United States Environmental Protection Agency (EPA), interest earnings on loans, loan repayments, and state funds (i.e., bond proceeds and State appropriations).

North Carolina Turnpike Authority

This fund accounts for the activities of the North Carolina Turnpike Authority (Authority), which was created to study, design, plan, construct, finance, and operate a system of toll roads, bridges, and/or tunnels supplementing the traditional non-toll transportation serving the citizens of the State. Effective July 2009, the General Assembly enacted legislation that transferred the functions and funds of the Authority to the Department of Transportation.

Additionally, the State reports the following fund types:

Internal Service Funds

These funds account for workers compensation and state property fire insurance coverages, motor fleet management services, mail services, temporary staffing services, computing and telecommunication services, and surplus property services provided to other departments or agencies of the State and its component units, or to other governments, on a cost-reimbursement basis.

Pension and Other Employee Benefits Trust Funds

These funds account for resources held in trust for the members and beneficiaries of the State's defined benefit pension plans, defined contribution pension plans, Internal Revenue Code Section 457 plan, death benefit plan, disability income plan, and retiree health benefit fund.

Investment Trust Funds

These funds account for the external portion of the Investment Pool sponsored by the Department of State Treasurer and individual investment accounts held by the Department of State Treasurer for public hospitals that are not part of the State reporting entity.

Private-purpose Trust Funds

These funds account for resources held in trust for insurance carriers, designated beneficiaries by the Administrative Office of the Courts, and other departmental trust funds in which the principal and income benefit individuals, private organizations, or other governments.

NOTES TO THE FINANCIAL STATEMENTS**Agency Funds**

These funds account for sales tax collections held on behalf of local governments, resources held by the Administrative Office of the Courts for distribution to designated beneficiaries, the Investment Pool's securities lending assets and liabilities allocated to participating component units, insurance company receivership assets, vehicle property tax collections held on behalf of local governments, and other resources held by the State in a purely custodial capacity for individuals, private organizations, or other governments. Insurance company receivership assets are held by the Commissioner of Insurance exclusively in his capacity as Receiver. These assets belong to insurance companies and other entities in receivership and are not the property of the State.

C. Measurement Focus and Basis of Accounting**Government-wide, Proprietary, and Fiduciary Fund Financial Statements**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Lottery games are sold to the public by contracted retailers. For the N.C. Education Lottery Commission's on-line games, POWERBALL, Mega Millions, Carolina Cash 5, Carolina Pick 4, Carolina Pick 3, EZ Match, and raffles offered, revenue is recognized at the time of sale on a daily basis. For instant games, revenue is recognized at the time a pack of tickets is settled. For POWERBALL, Mega Millions, Carolina Cash 5, Carolina Pick 4, Carolina Pick 3, EZ Match, and for raffles, prize expense is recorded at fifty percent of sales on a daily basis. For instant games, prize expense is accrued based on the final production prize structure percentage provided by the gaming vendor for each game and recorded daily on value of packs settled. For the instant games with prize tickets, the final prize structure percentage used is adjusted to eliminate the value of the prize tickets. Prize expense for merchandise prizes is recognized as prizes are fulfilled.

Nonexchange transactions, in which the State receives (or gives) value without directly giving (or receiving) equal value in exchange, include taxes; fines and forfeitures; grants (and similar assistance), entitlements, and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Income taxes, sales taxes, and other similar taxes on earnings or consumption are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when the underlying exchange transaction has occurred. Franchise taxes, other taxes, and fines and forfeitures are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Grants (and similar assistance), entitlements, and donations are recognized by providers as expenses and by recipients as revenues (net of estimated uncollectible amounts), when all applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met (excluding time requirements) are reported as assets by the provider and as liabilities by the recipient. Resources received or recognized as a receivable before time requirements are met, but after all other eligibility requirements have been met, are reported as a deferred outflow of resources by the provider and a deferred inflow of resources by the recipient.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of general long-term debt are reported as other financing sources.

Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. Generally, the State considers revenues reported in the governmental funds to be available if they are collected within 31 days after year-end. Exceptions are individual income tax revenues and federal and county funds accrued for the matching share of medicaid claims payable, which the State considers to be available if they are collected within 12 months after year-end. Furthermore, in the circumstance where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., refunds payable and applied refunds). Principal revenue sources considered susceptible to accrual include taxes, federal funds, local funds, and investment earnings. Other revenues are considered to be measurable and available only when cash is received by the State.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, obligations for workers' compensation, pollution remediation, and arbitrage rebate liabilities, which are recognized as expenditures when payment is due. Pension contributions to cost-sharing pension plans are recognized as expenditures in the period to which the payment relates, even if payment is not due until the subsequent period.

NOTES TO THE FINANCIAL STATEMENTS**D. Cash and Cash Equivalents**

This classification includes undeposited receipts; petty cash; deposits held by the State Treasurer in the Short-term Investment portfolio (see Note 3); and demand and time deposits with private financial institutions, excluding certificates of deposit. The Short-term Investment portfolio maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

E. Investments

This classification includes deposits held by the State Treasurer in certain investment portfolios (see Note 3A) as well as investments held separately by the State and its component units. Investments are generally reported at fair value (generally based on quoted market prices, except as discussed in Note 3) with significant exceptions noted below and in Note 1F.

Investments held by the State Treasurer in the Short-term Investment portfolio are reported at cost or amortized cost. Repurchase agreements and nonnegotiable certificates of deposit in the Short-term Investment portfolio are reported at cost. U.S. Treasuries, U.S. Agencies and domestic corporate bonds in the Short-term Investment portfolio are reported at amortized cost, which approximates fair value (Note: Equity of each fund and component unit in the Short-term Investment portfolio is reported as cash and cash equivalents). For the primary government, proceeds from general obligation bonds and special indebtedness are generally invested in repurchase agreements, which have a maturity at time of purchase of 14 days or less, and are reported at cost. In fiduciary funds, fully benefit responsive synthetic guaranteed investment contracts and unallocated insurance contracts that are nonparticipating interest-earning investment contracts are reported at contract value. Investments in real estate held by the University of North Carolina System (excluding endowments) are reported at cost.

Additional investment valuation information is provided in Note 3. The net increase (decrease) in the fair value of investments is recognized as a component of investment income.

F. Securities Lending

Cash received as collateral on securities lending transactions is used to purchase investments. These investments are reported as assets in the accompanying financial statements and are generally measured at fair value with the exception of repurchase agreements, which are reported at cost. A corresponding liability is also reported for the amount owed to the broker at the termination of the lending agreement. Certain component units of the State deposit funds with the State Treasurer's Investment Pool, which participates in securities lending activities. The component units' position in the pool and related securities lending assets and liabilities are reported in an agency fund. Additional disclosures about the State Treasurer's securities lending transactions are provided in Note 3.

G. Receivables and Payables

Receivables in all funds represent amounts that have arisen in the ordinary course of business and are shown net of allowances for uncollectible amounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds related to services provided and used, reimbursements, and transfers are classified as "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. Inventories and Prepaid Items

The inventories of the State and component units are valued at cost using either the first-in, first-out (FIFO); last invoice cost; or average cost method. These inventories consist of general supplies and materials. Institutions of the UNC System and community colleges also use these valuations along with the retail inventory method for some bookstore operations. The State Highway Fund accounts for its maintenance and construction inventories using the average cost method.

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepaid items of governmental funds are recorded as expenditures when purchased, and balances of prepaid items are not reported as assets.

NOTES TO THE FINANCIAL STATEMENTS**I. Securities Held in Trust**

Securities held in trust include various assets, including securities from insurance companies and bail bondsmen doing business within North Carolina. These securities have been placed in safekeeping with a financial institution or the State Treasurer, as required by applicable general statutes.

J. Restricted/Designated Assets

In the government-wide and enterprise fund financial statements, certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. The following resources are not available for current operations and are reported as restricted assets: 1) resources restricted for the acquisition/construction of the government's own capital assets, 2) resources legally segregated for the payment of principal and interest as required by debt covenants, 3) temporarily invested debt proceeds, and 4) nonexpendable resources of permanent funds. This financial statement caption also includes resources designated by management for the acquisition/construction of the government's own capital assets and thus not available for current operations.

K. Capital Assets

Capital assets, which include property, plant, equipment; easements; and infrastructure assets (e.g., State highway network, utility systems, and similar items), are reported in the government-wide financial statements and the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost or estimated historical cost. The State highway network constructed prior to July 1, 2001 is recorded at estimated historical cost. Since July 1, 2001 the State highway network is recorded at cost. The initial estimated historical cost of the network is based on construction expenditures reported by the Department of Transportation less amounts estimated for the cost of right-of-ways and land improvements. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Donated capital assets are recorded at their estimated fair value at the date of donation.

Generally, capital assets are defined by the State and component units as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of two or more years, except for internally generated computer software and other intangible assets, which are capitalized when the value or cost is greater than or equal to \$1 million and \$100 thousand, respectively.

The value of assets constructed by the State and its component units for their own use includes all material direct and indirect construction costs that are incurred as a result of the construction. In proprietary funds and component units, interest costs incurred (if material) are capitalized during the period of construction.

The depreciation methods and estimated useful lives generally used by the State and its component units are as follows:

<u>Asset Class</u>	<u>Method</u>	<u>Estimated Useful Life</u>
Buildings.....	Straight-line	10-100 years
Machinery and Equipment.....	Straight-line Units of output for motor vehicles	2-30 years 90,000 miles
Art, literature, and other artifacts.....	Straight-line	2-25 years
General infrastructure.....	Straight-line	10-75 years
State highway network.....	Composite	50 years
Computer software.....	Straight-line	2-30 years
Other intangible assets.....	Straight-line	2-100 years

For the State highway network (including toll roads), depreciation is based on a weighted average of the estimated useful lives of dissimilar assets in the network (e.g., subsurface foundations, roadway surfaces, bridges, traffic control devices, guardrails, markings, signage, etc.).

L. Tax Refund Liabilities

Tax refund liabilities consist primarily of accrued income and sales and use tax refunds due to taxpayers. During the calendar year, the State collects employee withholdings and taxpayers' payments for income taxes. At June 30, the State estimates the amount it owes taxpayers for income tax overpayments during the preceding six months. Sales and use tax refund liabilities are also estimated at June 30. These liabilities are recorded as "Tax refunds payable."

NOTES TO THE FINANCIAL STATEMENTS**M. Compensated Absences**

Employees of the State and component units are permitted to accumulate earned but unused vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Also, when determining the vacation pay liability due within one year, leave is considered taken on a last in, first out (LIFO) basis. In governmental funds, a liability for these amounts is reported only as payments come due each period upon the occurrence of relevant events such as employee resignations and retirements. The State's policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of 30 days at calendar year end is converted to sick leave.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not part of the 30 day maximum applicable to regular vacation leave and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the State has no obligation to pay sick leave upon employee termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.

N. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities, business-type activities, and component units. These amounts are also reported as liabilities in the fund financial statements for proprietary funds. If material, debt premiums and discounts of the State are deferred and amortized over the life of the debt using the effective interest method except for those of the North Carolina Turnpike Authority, which are amortized using the straight-line method. If material, debt premiums and discounts of the University of North Carolina System (component unit) are generally deferred and amortized using the straight-line method. Long-term debt is reported net of the applicable debt premium, and/or discount.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, during the current period. The face amount of the debt issued and premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received, are reported as debt service expenditures.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The State and its component units have the following items that qualify for reporting in this category. They are 1) the accumulated decrease in fair value of hedging derivative instruments, 2) deferred loss on refunding, 3) State aid transmitted to a component unit that cannot be spent until a future period (but all other eligibility requirements, if any, have been met), and 4) a deferred loss on a sale-leaseback transaction reported by a community college (other deferred outflow). A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The primary government amortizes the deferred loss on refunding using the effective interest method, and the University of North Carolina System (component unit) generally amortizes this amount using the straight-line method.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The State and a component unit have the following items that qualify for reporting in this category. They are 1) State aid received by a component unit that cannot be spent until a future period (but all other eligibility requirements, if any, have been met) and 2) unavailable revenues in governmental funds. The governmental funds report unavailable revenues primarily from the following sources: sales and use taxes; tobacco settlement; and fees licenses, and fines. These amounts are deferred and recognized as revenues in the period that the amounts become available.

NOTES TO THE FINANCIAL STATEMENTS**P. Net Position/Fund Balance**Net Position

Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions. Constraints placed on net position use by enabling legislation are not reported as net position restrictions since such constraints are not legally enforceable. Legal enforceability means that the State can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation. Situations where the State's internal governing body (General Assembly) places restrictions on existing resources or earmarks existing revenue sources are considered to be constraints that are internally imposed. Such internally dedicated net position is presented as unrestricted.

For governmental activities, the State considers restricted amounts to have been spent first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. For business-type activities and component units, when both restricted and unrestricted resources are available for use, generally it is the State's policy to use receipts first (which include restricted and unrestricted resources), then State appropriations as necessary. Receipts are defined as all funds collected by an agency or institution other than State appropriations. The decision to use restricted or unrestricted receipts to fund a payment is transactional-based within the departmental management system in place at the agency or institution. For projects funded by tax-exempt debt proceeds and other sources, the debt proceeds are always used first.

Fund Balance

Fund balance for governmental funds is reported in the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent.

- The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balances have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions.
- Committed fund balances can only be used for specific purposes pursuant to constraints imposed by formal action of the N.C. General Assembly, the State's highest level of decision-making authority. The N.C. General Assembly establishes commitments through the passage of legislation that becomes State law. Commitments may be changed or lifted only by taking the same formal action that imposed the constraint originally.
- Assigned fund balances are constrained by an intent to be used for specific purposes, but are neither restricted nor committed. The Office of State Budget and Management (OSBM) is authorized to assign unexpended funds at year-end as a carry forward of budget authority to the subsequent fiscal year. The North Carolina Constitution (Article III, Sec. 5(3)) provides that the "budget as enacted by the General Assembly shall be administered by the Governor." The Governor has delegated the authority to perform certain powers and duties of this role as the Director of the Budget to OSBM.
- Unassigned fund balance is the residual classification for the General Fund. Other governmental funds cannot report positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted or committed to those purposes.

For classification of governmental fund balances, the State considers an expenditure to be made from the most restrictive resource (i.e., restricted, committed, assigned, and unassigned in that order) when more than one fund balance classification is available for use.

In accordance with G.S. 143C-4-2, the Savings Reserve Account is established as a reserve in the General Fund for budgetary purposes. The State Controller shall reserve to the Savings Reserve Account, one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year. Funds reserved to the Savings Reserve Account are available for expenditure only upon an act of appropriation by the General Assembly. The General Assembly recognizes the need to establish and maintain sufficient reserves to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies. It is a goal of the General Assembly and the State to accumulate and maintain a balance in the Savings Reserve Account equal to or greater than eight percent of the prior year's General Fund appropriation budget. At June 30, 2014, the balance of the Savings Reserve Account was \$651.6 million, which represents 3.18% of the prior year's General Fund appropriation budget.

NOTES TO THE FINANCIAL STATEMENTS**Q. Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items and capital contributions. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Proprietary fund operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as noncapital grants and investment earnings, result from nonexchange transactions or ancillary activities. Capital contributions are reported separately, after nonoperating revenues and expenses.

R. Food and Nutrition Services

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the State recognizes distributions of food and nutrition services benefits as revenue and expenditures in the General Fund. Revenues and expenditures are recognized based on the fair market value at the time the benefits are distributed to the individual recipients. In North Carolina, benefits are distributed in electronic form, thus distribution takes place when the individual recipients use the benefits.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Fund Equity Deficit

Primary Government

At June 30, 2014, the following enterprise fund reported a net position deficit: Workers' Compensation, \$4.91 million.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: DEPOSITS AND INVESTMENTS

A. Deposits and Investments with State Treasurer

Unless specifically exempt, every agency of the State and certain component units are required by General Statute 147-77 to deposit moneys received with the State Treasurer or with a depository institution in the name of the State Treasurer. Certain local governmental units that are not part of the reporting entity are also allowed to deposit money with the State Treasurer. Expenditures for the primary government and certain component units are made by warrants issued by the agencies and drawn on the State Treasurer. The State Treasurer processes these warrants each day when presented by the Federal Reserve Bank. General Statute 147-69.1 authorizes the State Treasurer to invest all deposits in obligations of or fully guaranteed by the United States; obligations of certain federal agencies; specified repurchase agreements; obligations of the State of North Carolina; time deposits with specified financial institutions; prime quality commercial paper with specified ratings; specified bills of exchange or time drafts; asset-backed securities with specified ratings; and corporate bonds and notes with specified ratings.

General Statute 147-69.2 authorizes the State Treasurer to invest the deposits of certain special funds, including the pension trust funds, the State Health Plan, the Disability Income Plan of N.C., the Escheat Fund, the Public School Insurance Fund, the State Education Assistance Authority, Local Government Other Post-Employment Benefits (OPEB) Trust, and trust funds of the University of North Carolina System, in the investments authorized in General Statute 147-69.1; general obligations of other states; general obligations of North Carolina local governments; asset-backed securities bearing specific ratings; and obligations of any company incorporated within or outside the United States bearing specific ratings. The deposits of the pension trust funds may be invested in all of the above plus certain insurance contracts; group trusts; individual, common or collective trusts of banks and trust companies; real estate investment trusts; limited partnership interest in limited liability partnerships or limited liability companies; and certain stocks and mutual funds.

External Investment Pool

To ensure that these and other legal and regulatory limitations are met, all cash deposited with the State Treasurer, except for the Public Hospitals, Escheat Fund, and bond proceeds investment accounts, is maintained in the Investment Pool. This pool, a governmental external investment pool, consists of the following individual investment portfolios:

Short-term Investment – This portfolio may hold any of the investments authorized by General Statute 147-69.1. The Short-term Investment portfolio is the primary cash management account for the State and is managed in such a manner as to be readily convertible into cash. The primary participants of this portfolio are the General Fund and the Highway Funds. Other participants include the remaining portfolios listed below, universities and various boards, commissions, community colleges, and school administrative units that make voluntary deposits with the State Treasurer.

Long-term Investment – This portfolio may hold the fixed-income investments authorized by General Statutes 147-69.1 and 147-69.2. Since the deposits in this fund are typically not needed for day-to-day operations, the investment vehicles used generally have a longer term and higher yield than those held in the Short-term Investment portfolio. The primary participants of the portfolio are the pension trust funds.

External Fixed Income Investment – This portfolio holds collateralized mortgage obligations, asset-backed and commercial mortgage-backed securities pursuant to General Statute 147-69.2. The State's pension trust funds are the sole participants in the portfolio.

Equity Investment – This portfolio is managed pursuant to General Statute 147-69.2(b)(8) and primarily holds an equity-based trust. The State's pension trust funds are the sole participants in the portfolio.

Real Estate Investment – This portfolio holds investments in real estate-based trust funds and group annuity contracts, which is managed pursuant to General Statute 147-69.2(b)(7). The State's pension trust funds are the sole participants in the portfolio.

Alternative Investment – This portfolio holds investments in limited partnerships, hedge funds, and equities received in the form of distributions from its primary investments, which is managed pursuant to General Statute 147-69.2(b)(9). The State's pension trust funds are the sole participants in the portfolio.

Credit Investment – This portfolio may hold investments in debt-related strategies as defined by General Statutes 147-69.2(b)(6c). The State's pension trust funds are the sole participants in the portfolio.

Inflation Protection Investment – This portfolio may hold investments in assets that are acquired for the primary purpose of providing protection against risks associated with inflation, managed pursuant to General Statute 147-69.2(b)(9a). The State's pension trust funds are the sole participants in the portfolio.

NOTES TO THE FINANCIAL STATEMENTS

OPEB Equity Investment – This portfolio holds equity-based trusts. Pursuant to General Statute 159-30.1, the State Treasurer manages the trusts' assets. These trusts are established for local governments, public authorities, any entity eligible to participate in the State's Local Governmental Employees' Retirement System, and local school administrative units. Eligible participants make voluntary contributions to the trusts for the purpose of depositing and investing all or part of the contribution from their other post-employment benefit plans. As of June 30, 2014, there were sixteen participants. Each participant is responsible for making its own investment decision. However, through signed agreements with the State Treasurer, most participants have delegated their investment authority to the State Treasurer.

All of the preceding investment portfolios operate like individual investment pools, except that an investment portfolio may hold shares in other investment portfolios at the discretion of the State Treasurer and subject to the legal limitations discussed previously. To this extent, the deposits are commingled; and therefore, the State Treasurer considers all investment portfolios to be part of a single pool, the Investment Pool. The Investment Pool contains deposits from funds and component units of the reporting entity (internal portion) as well as deposits from certain legally separate organizations outside the reporting entity (external portion). This pool is not registered with the Securities and Exchange Commission and is not subject to any formal oversight other than that of the legislative body.

At year-end, the condensed financial statements for the Investment Pool maintained by the State Treasurer were as follows (dollars in thousands):

**Statement of Net Position
June 30, 2014**

Assets	
Cash and cash equivalents.....	\$ 200,276
Other assets.....	302,419
Investments.....	108,553,135
Total assets.....	<u>109,055,830</u>
Liabilities	
Other payables.....	25,913
Obligations under securities lending.....	5,265,818
Total liabilities.....	<u>5,291,731</u>
Net Position	
Internal:	
Primary government.....	98,636,554
Component units.....	4,226,642
External.....	900,903
Total net position.....	<u>\$ 103,764,099</u>

**Statement of Operations and Changes in Net Position
For the Fiscal Year Ended June 30, 2014**

Revenues	
Investment income.....	\$ 13,270,796
Expenses	
Securities lending.....	2,093
Investment management.....	554,507
Total expenses.....	<u>556,600</u>
Net increase in net position resulting from operations.....	12,714,196
Distributions to participants	
Distributions paid and payable.....	(12,714,196)
Share transactions	
Reinvestment of distributions.....	12,714,131
Net share redemptions.....	<u>(2,482,362)</u>
Total increase in net position.....	10,231,769
Net position	
Beginning of year.....	93,532,330
End of year.....	<u>\$ 103,764,099</u>

NOTES TO THE FINANCIAL STATEMENTS

The external portion of the Investment Pool is presented in the State's financial statements as an investment trust fund. Each fund and component unit's share of the internal equity in the Investment Pool is reported in the State's financial statements as an asset of those funds or component units. Equity in the Short-term Investment portfolio is reported as cash and cash equivalents while equity in the Long-term Investment, Equity Investment, Real Estate Investment, External Fixed Income Investment, Credit Investment, Inflation Protection Investment, Alternative Investment, and OPEB Equity Investment portfolios is reported as investments. The internal equity of the pool differs from the amount of assets reported by the funds and component units due to the typical banker/customer outstanding and in-transit items. Additionally, each fund reports its share of the assets and liabilities arising from securities lending transactions. The State reports the assets and liabilities arising from securities lending transactions for component units as part of the State's agency funds, rather than allocate them to the component units.

For most investment holdings, fair values are determined daily for the Long-term Investment, External Fixed Income Investment, Equity Investment, and OPEB Equity Investment portfolios and quarterly for the Real Estate Investment, Alternative Investment, Credit Investment, and Inflation Protection Investment portfolios. In the Long-term and External Fixed Income Investment portfolios, the fair value of fixed income securities are calculated by a third party pricing vendor based on future principal and interest payments discounted using market yields. For the Alternative Investment portfolio (private equity investment partnerships and hedge funds), the Real Estate Investment portfolio (limited partnerships and other investments), the Credit Investment and Inflation Protection Investment portfolios (limited partnerships, hedge funds, and other non-publicly traded investments) the methodology for determining an estimated fair value is established by the general partner, which may utilize a third party pricing source or an independent real estate appraiser. Contracts with these partnerships, hedge funds, and other investments require an annual audit, except for certain older investments that are immaterial to the financial statements.

The general partners' estimated fair values are based on the partnerships and funds respective net asset values (NAV). The most significant input into the NAV of such an entity is the fair value of its holdings. These non-publicly traded assets are valued at current fair value, taking into consideration the financial performance of the issuer, cash flow analysis, recent sales prices, market comparable transactions, a new round of financing, a change in economic conditions, and other pertinent information. The fair values of certain investments may require significant management judgment or estimation. Fair value is determined using the best information available for a hypothetical transaction at the measurement date, not using forced sale or fire sale pricing. Participants' shares sold and redeemed are determined in the same manner as is used to report investments, and the State Treasurer does not provide or obtain legally binding guarantees to support share values. Additional investment valuation information is provided in Note 1.

Net investment income earned by the Investment Pool is generally distributed on a pro rata basis. However, in accordance with legal requirements, the General Fund receives all investment income earned by funds created for purposes of meeting appropriations. For the fiscal year ended June 30, 2014, \$2.73 million of investment income associated with other funds was credited to the General Fund.

Deposits

Custodial Credit Risk. For deposits, custodial credit risk is the risk that in the event of a bank failure, the State's deposits may not be recovered. At year-end, the Investment Pool's deposits were exposed to custodial credit risk for nonnegotiable certificates of deposit in the amount of \$13.6 million. The nonnegotiable certificates of deposit were uninsured and were collateralized with securities not in the name of the State and held by an agent.

The State Treasurer's deposit policy for custodial credit risk is limited to complying with the collateralization rules of the North Carolina Administrative Code (Chapter 20 NCAC 7). Deposits to the Investment Pool may be made in any bank, savings and loan association or trust company in the State as approved by the State Treasurer. The North Carolina Administrative Code requires depositories to collateralize all balances that are not insured. The depositories must maintain specified security types in a third party escrow account established by the State Treasurer. The securities collateral must be governmental in origin (e.g., U.S. Treasury, U.S. agency, or state and local government obligations) or the highest grade commercial paper and bankers' acceptances. The market value of the collateral must not be less than the value of the uninsured deposits. The depositories may elect to collateralize deposits separately (dedicated method) or include deposits of the North Carolina local government units in a collateral pool with the State and certain component units (pooling method).

NOTES TO THE FINANCIAL STATEMENTS**Investments**

At year-end, the Investment Pool maintained by the State Treasurer had the following investments and maturities (dollars in thousands):

Investment Type	Carrying Amount	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt investments:					
U.S. Treasuries	\$ 15,464,610	\$ 7,351,012	\$ 869,361	\$ 4,329,175	\$ 2,915,062
U.S. agencies	7,014,280	566,555	5,495,115	157,004	795,606
Mortgage pass-throughs	7,935,078	—	605	20,972	7,913,501
Collateralized mortgage obligations	56,096	9,406	—	—	46,690
Asset-backed securities	183,097	123,124	—	—	59,973
Repurchase agreements	2,225,000	2,225,000	—	—	—
Commercial mortgage-backed securities ..	23,436	23,436	—	—	—
Collective investment funds	200,435	200,435	—	—	—
Domestic corporate bonds	10,086,919	18,336	1,426,111	4,598,197	4,044,275
Foreign government bonds	35,711	—	11,300	24,411	—
Securities purchased with cash collateral under securities lending program:					
U.S. agencies	162,036	162,036	—	—	—
Asset-backed securities	280,952	280,952	—	—	—
Negotiable certificates of deposit	1,143,310	1,143,310	—	—	—
Repurchase agreements	1,069,867	1,069,867	—	—	—
Bank notes	232,119	232,119	—	—	—
Commercial paper	668,250	668,250	—	—	—
Domestic corporate bonds	1,372,935	1,372,935	—	—	—
	<u>48,154,131</u>	<u>\$ 15,446,773</u>	<u>\$ 7,802,492</u>	<u>\$ 9,129,759</u>	<u>\$ 15,775,107</u>
Other investments:					
Equity based trust - domestic	25,401,335				
Equity based trust - international	16,059,907				
OPEB equity based trust- domestic	77,860				
OPEB equity based trust- international	25,221				
Alternative investments:					
Hedge funds	284,326				
Private equity investment partnerships ..	3,998,764				
Stock distributions	3,090				
Real estate trust funds	7,558,972				
Credit investments	4,768,747				
Inflation protection investments	2,072,182				
Total investments	<u>\$ 108,404,535</u>				

In addition to the total investments above, nonnegotiable certificates of deposit (\$13.6 million) and time deposits held in the securities lending cash collateral pool (\$135 million) are reported as investments in the Condensed Statement of Net Position presented previously.

NOTES TO THE FINANCIAL STATEMENTS

The major investment classifications of the Investment Pool had the following attributes at year-end (dollars in thousands):

Investment Classification	Principal Amount	Range of Interest Rates
U.S. Treasuries	\$ 13,964,308	0.00%-8.875%
U.S. agencies	6,856,581	0.00%-7.125%
Mortgage pass-throughs	7,442,532	3.00%-9.00%
Collateralized mortgage obligations	70,864	0.323%-6.432%
Commercial mortgage-backed securities	26,557	0.323%-0.404%
Asset-backed securities	198,755	0.00%-6.102%
Domestic corporate bonds	8,875,975	0.625%-10.50%
Foreign government bonds	35,000	2.45%-5.125%
Repurchase agreements	2,225,000	0.05%-0.20%
Collective investment funds	200,435	0.15%-0.155%
Securities purchased with cash collateral under securities lending program:		
U.S. agencies	162,042	0.05%-0.10%
Asset-backed securities	414,596	0.20%-0.242%
Negotiable certificates of deposit	1,143,243	0.10%-0.26%
Repurchase agreements	1,069,867	0.06%-0.10%
Bank notes	232,100	0.19%-0.24%
Commercial paper	668,436	0.10%-0.28%
Domestic corporate bonds	1,372,504	0.164%-0.317%
Equity-based trust - domestic	n/a	n/a
Equity-based trust - international	n/a	n/a

Equity-based Trust – The State Treasurer has contracted with an external party (Trustee) to create the “Treasurer of the State of North Carolina Equity Investment Fund Pooled Trust” (the Trust). The State’s pension trust funds are the only depositors in the Trust. The State Treasurer employs investment managers to manage the assets, primarily in equity and equity-based securities in accordance with the General Statutes and parameters provided by the State Treasurer. Derivative instruments are also held within the Trust consisting primarily of U.S. dollar equity futures (see Note 7). The Trustee maintains custody of the underlying securities in the name of the Trust, services the securities, engages in securities lending transactions with a third party lender, and maintains all related accounting records. The Trustee also invests residual cash in a cash sweep fund and may be temporarily employed as an investment manager. The State Treasurer maintains beneficial interest in the Trust and no direct ownership of the securities.

OPEB Individual Equity-based Trusts – The State Treasurer has contracted with an external party to provide an equity based investment vehicle for local governments, public authorities, or any entity eligible to participate in the State’s Local Governmental Employees’ Retirement System and the local school administrative units. Each entity has an individual trust agreement with the Trustee and is a participant in a commingled equity investment trust. The State Treasurer employs an investment manager to manage the assets, in accordance with the General Statutes and parameters provided by the State Treasurer. The Trustee maintains custody of the underlying securities in the name of the Trusts, engages in securities lending transactions, and maintains all related accounting records.

Interest Rate Risk. Although there is no formally adopted investment policy, as a means of managing interest rate risk, fixed income assets of the Short-term Investment portfolio are invested in a laddered maturity approach that focuses on short maturity securities with ample liquidity. The Short-term Investment portfolio had a weighted average maturity of 1.3 years as of June 30, 2014. Most of the cash and cash equivalents of the major governmental and enterprise funds are invested in this portfolio.

The assets of the Long-term Investment portfolio are primarily invested in securities with maturities longer than five years. The longer maturity range is more sensitive to interest rate changes; however, the longer duration structure of the portfolio provides a better match to the long duration characteristics of the retirement systems’ liabilities. At year-end, pensions and other employee benefit plans owned 95.5% of the Long-term Investment portfolio.

The Long-term Investment portfolio holds investments in Government National Mortgage Association (GNMA) mortgage pass-through pools. Critical to the pricing of these securities are the specific features of the cash flows from the interest and principal payments of the underlying mortgages. Therefore, these valuations are sensitive to the potential of principal prepayments by mortgagees in periods of changing interest rates. Also, included within the Long-term Investment portfolio are U.S. government agencies and corporate bonds which may carry call options in which the issuer has the option to prepay the principal at certain dates over the life of the security. As such, these types of securities are more sensitive to the decline in long-term interest rates than similar securities without call options.

NOTES TO THE FINANCIAL STATEMENTS

In addition to the corporate bonds with call options mentioned in the preceding paragraph, there are corporate bonds with variable coupon rates that reset on specific dates. The cash collateral received from securities lending has also been invested in corporate bonds and asset-backed securities with floating rates. Critical to the cash flows and pricing of these securities are the changes in interest rates. The State Treasurer considers the maturity for interest rate risk purposes to be the length of time to the next reset date rather than the stated maturity.

The externally managed External Fixed Income Investment portfolio holds investments in asset-backed securities and collateralized mortgage obligations. The focus is on fixed and floating rate, short duration securities with an average duration of less than 2.5 years. Securities must carry an investment grade rating at the time of purchase. The short duration nature of the assets limits interest rate risk. For the asset-backed securities with floating rate, the State Treasurer considers the maturity for interest rate risk purposes to be the length of time to the next reset date rather than stated maturity.

Also, included within the externally managed External Fixed Income Investment portfolio are commercial mortgage-backed securities with a focus on structures with fixed rates and average life of less than six years. Securities must carry an investment grade rating at the time of purchase.

Critical to the pricing of asset-backed and mortgage-backed securities are the specific features of cash flows from the interest and principal payments of the underlying assets. Therefore, valuations are sensitive to the potential of principal prepayments by mortgages in periods of changing interest rates.

Credit Risk. General Statute 147-69.1 specifies the cash investment options for the Short-term Investment portfolio. The statute limits credit risk by restricting the Short-term Investment portfolio's corporate obligations, asset-backed securities, and commercial paper to securities that bear the highest rating of at least one nationally recognized rating service and do not bear a rating below the highest by any nationally recognized rating service. General Statute 147-69.2 specifies the cash investment options for the Long-term Investment portfolio. The statute limits credit risk by restricting the Long-term Investment portfolio's asset-backed securities and corporate obligations to securities that bear one of the four highest ratings of at least one nationally recognized rating service. In the Long-term Investment portfolio, all holdings were rated BBB (or equivalent) or higher at the time of purchase by at least one of the nationally recognized rating agencies.

At year-end, the Investment Pool had the following credit quality distribution for securities with credit exposure (dollars in thousands):

Investment Type	Carrying Amount by Credit Rating - Moody's/S&P/Fitch					
	Aaa/AAA	Aa/AA	A	Baa/BBB	Less than Investment Grade	Unrated
U.S. agencies	\$ —	\$ 7,014,280	\$ —	\$ —	\$ —	\$ —
Collateralized mortgage obligations	—	—	2,235	12,641	22,925	18,295
Commercial mortgage-backed securities ..	—	—	—	—	23,436	—
Asset-backed securities	—	18,194	149,110	717	15,076	—
Repurchase agreements	—	2,225,000	—	—	—	—
Collective investment funds	—	—	—	—	—	200,435
Domestic corporate bonds	120,641	602,752	4,669,557	4,294,730	399,239	—
Foreign government bonds	—	24,411	11,300	—	—	—
Securities purchased with cash collateral under securities lending program:						
U.S. agencies	—	162,036	—	—	—	—
Asset-backed securities	—	—	73,259	—	207,693	—
Negotiable certificates of deposit	—	—	1,143,310	—	—	—
Repurchase agreements	—	1,069,867	—	—	—	—
Bank notes	—	—	232,119	—	—	—
Commercial paper	—	—	668,250	—	—	—
Domestic corporate bonds	—	548,296	824,639	—	—	—
Total	<u>\$120,641</u>	<u>\$ 11,664,836</u>	<u>\$ 7,773,779</u>	<u>\$ 4,308,088</u>	<u>\$ 668,369</u>	<u>\$ 218,730</u>

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the State Treasurer will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the investments purchased with cash collateral under the securities lending program of \$5.1 billion were exposed to custodial credit risk since the securities were held by the counterparty and were not registered in the name of the State Treasurer. As required by contractual agreements, a third party agent holds these assets for the benefit of a dedicated Treasurer's account. This agreement fully indemnifies the Treasurer for any third party defaults or losses. All other investments of the Investment Pool were not exposed to custodial credit risk at year-end and no custodial credit risk policy has been adopted for these investment types.

NOTES TO THE FINANCIAL STATEMENTS

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Mutual funds, money market funds, and external pooled accounts are excluded from this disclosure requirement. Obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk. The State Treasurer's investment policy places no limit on the amount that may be invested in any one issuer other than the General Statute 147-69.2(b)(8) that limits the market value of an investment in the stock of a single corporation to one and one-half percent of the Retirement Systems' assets. At the fiscal year end, there were no stocks of a single corporation that exceeded this limit.

Foreign Currency Risk. At year-end, the Investment Pool's exposure to foreign currency risk was as follows (dollars in thousands):

Currency	Carrying Value by Investment Type				Total
	Equity Based Trust - International	Alternative Investment - Private Equity Investment Partnerships	Real-Estate Trust Funds	OPEB Equity Based Trust-International	
Euro	\$ 4,280,927	\$ 514,960	\$ 186,024	\$ 5,465	\$ 4,987,376
British Pound Sterling ...	2,990,470	14,377	106,963	2,867	3,114,677
Japanese Yen	2,611,559	—	63,897	4,079	2,679,535
Canadian Dollar	1,131,595	—	9,940	1,881	1,143,416
Sw iss Franc	1,066,279	—	3,662	932	1,070,873
Hong Kong Dollar	989,685	—	46,026	1,416	1,037,127
Australian Dollar	641,017	—	26,680	1,414	669,111
South Korean Won	441,951	—	—	223	442,174
Sw edish Krona	414,790	—	3,100	673	418,563
New Taiw an Dollar	243,774	—	—	853	244,627
Singapore Dollar	225,085	—	10,749	442	236,276
Danish Krone	222,380	—	—	285	222,665
Indian Rupee	184,776	—	—	—	184,776
Other Currencies	615,619	—	3,935	4,086	623,640
Total	<u>\$ 16,059,907</u>	<u>\$ 529,337</u>	<u>\$ 460,976</u>	<u>\$ 24,616</u>	<u>\$ 17,074,836</u>

The State Treasurer has no formal policy regarding the maximum amount of investments in international securities. At year-end, the retirement systems had approximately 18% invested in international securities. The Investment Pool recognized an aggregate foreign currency transaction loss of \$68.07 million for the fiscal year ended June 30, 2014. Transaction gains or losses result from a change in exchange rates between the U.S. dollar and the currency in which a foreign currency transaction is denominated.

Note: The OPEB Equity Based Trust-International total in this table does not agree to the carrying amount disclosed in the investments and maturities table because the investments and maturities table includes American Depositary Receipts and cash collateral held for the daily settlement of derivatives. In addition, the OPEB Equity Based Trust-International equity market values in the foreign currency risk table are based on trade date while the carrying amount for this portfolio is reported on settle date in the investments and maturities table.

Securities Lending

Based on the authority provided in General Statute 147-69.3(e), the State Treasurer lends securities from its Investment Pool to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The Treasurer's custodian manages the securities lending program for the internally managed fixed income portfolios. During the year the custodian lent U.S. government and agency securities, corporate bonds and notes for collateral. The custodian is permitted to receive cash, U.S. government and agency securities, or irrevocable letters of credit as collateral for the securities lent. The collateral is initially pledged at 102% of the market value of the securities lent, and additional collateral is required if its value falls to less than 100% of the market value of the securities lent. There are no restrictions on the amount of loans that can be made. Substantially all security loans can be terminated on demand by either the State Treasurer or the borrower. The State Treasurer cannot pledge or sell the collateral securities received unless the borrower defaults.

The cash collateral received is invested by the custodian agent and held in a separate account in the name of the State Treasurer. The policies for investments purchased with cash collateral under the securities lending program are set forth in the contract with the custodian. The weighted average maturities of the cash collateral investments are more than the weighted average maturities of the securities lent. Under the current guidelines cash can be invested in securities ranging from overnight to 397 days and the custodian is not permitted to make investments where the weighted average maturity of all investments exceeds 60 days. At year-end, the weighted average maturity of investments was approximately 40 days.

NOTES TO THE FINANCIAL STATEMENTS

At year-end, the State Treasurer had no credit risk exposure to borrowers because the amounts the Treasurer owed the borrowers exceeded the amounts the borrowers owed the State. The custodian is contractually obligated to indemnify the Treasurer for certain conditions, the two most important are default on the part of the borrowers and failure to maintain the daily mark-to-market on the loans.

During the market crisis of late 2008, there was a default in a Lehman Brothers floating rate note in which securities lending collateral had been invested. Since that time, several other investments with potential losses were identified. The State Treasurer directed that all securities lending revenues would be deposited into a separate account. These funds are invested into a collective investment trust fund, and are included on the Statement of Net Position. The purpose of the separate account is to provide a reserve account to offset expected losses. At year-end, the State Treasurer had an unrealized loss in the Securities Lending Collateral pool of \$201 million, and had accrued \$181.7 million in the separate account.

Interest Rate Risk and Credit Risk. Under the prior securities lending guidelines, asset-backed securities must bear the highest rating of at least one nationally recognized rating service. The expected maturity shall not exceed five years and securities having a final maturity greater than two years will be in floating rate instruments with interest rate resets occurring at no greater than 90-day intervals to minimize the effect of interest rate fluctuations on their valuations. Corporate bonds and notes, including bank holding company obligations, rated AA must have a final maturity no greater than three years. Securities rated A must have a final maturity no greater than two years. No more than five percent of the cash collateral may be invested in a single issue.

Securities purchased under the current securities lending program will not have a final maturity greater than 397 days. The securities pledged as collateral for repurchase agreements are limited to securities issued or guaranteed by the U.S. government or its agencies. At the time of purchase, asset-backed securities are required to have a AAA rating by at least two of the rating agencies. All other eligible securities must have a minimum short-term rating of A-1/P-1 or a long-term rating of A/A2. No more than 5% of the collateral account's total assets may be invested in a corporate or bank obligation, or asset-backed securities of a single issuer or sponsor.

Bond Proceeds Investment Accounts

The State Treasurer has established separate investment accounts for each State bond issue to comply with Internal Revenue Service regulations on bond arbitrage. A private investment company under contract with the State Treasurer manages these separate accounts. In the State's financial statements, each fund's equity in these accounts is reported as investments.

At year-end, the bond proceeds investment accounts had the following investments and maturities (dollars in thousands):

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Weighted Average Maturity (Days)</u>
Debt investments:		
Repurchase agreements	\$ 38,414	7
Total investments	<u>\$ 38,414</u>	

Interest Rate Risk and Credit Risk. As established in the contract with the private investment company, all bond proceeds are managed in compliance with General Statute 147-69.1, which limits credit risk as described above, and can only be invested in short-term maturities with the average maturity ranging between overnight to six months based on the liquidity needs of the investment accounts.

Custodial Credit Risk. Investments purchased with bond proceeds were exposed to custodial credit risk since the securities were held by the counterparty and were not registered in the name of the State Treasurer. There is no custodial policy related to these investments.

Public Hospitals Investment Account

The State Treasurer has contracted with an external party (Trustee) to create the Public Hospitals investment account. The investment account currently consists of Margaret R. Pardee Hospital Trust, New Hanover Regional Medical Center Trust, Columbus Regional Healthcare Trust and Watauga Medical Center Trust. These Trusts are part of a commingled equity investment fund. The Trustee manages the assets, primarily in equity and equity-based securities in accordance with the General Statutes. The Trustee maintains custody of the underlying securities in the name of the Trust, services the securities, and maintains all related accounting records.

NOTES TO THE FINANCIAL STATEMENTS

At year-end, the Public Hospitals investment accounts maintained by the State Treasurer had the following investments (settled transactions) (dollars in thousands):

<u>Investment Type</u>	<u>Carrying Amount</u>
Other investments:	
Equity based trust - domestic	\$ 109,638
Equity based trust - international	35,965
Total investments	<u>\$ 145,603</u>

Foreign Currency Risk. There is no formally adopted investment policy to limit foreign currency exposure. At year-end, the Public Hospitals investment account's exposure to foreign currency risk was as follows (dollars in thousands):

<u>Currency</u>	<u>Carrying Value by Investment Type</u>
	<u>Equity Based Trust- International</u>
Euro	\$ 7,793
Japanese Yen	5,817
British Pound Sterling	4,089
Canadian Dollar	2,683
Australian Dollar	2,019
Hong Kong Dollar	2,016
Swiss Franc	1,328
South African Rand	1,216
Taiwan Dollar	1,216
Norwegian Krone	1,179
Swedish Krona	960
Brazilian Real	891
Thai Baht	719
Malaysian Ringgit	644
Singapore Dollar	630
Turkish Lira	496
Danish Krone	407
Other Currencies	998
Total	<u>\$ 35,101</u>

Note: The totals in this table do not agree to the totals disclosed in the investment table above because the investment table includes American Depositary Receipts and cash collateral held for the daily settlement of derivatives. In addition, the equity market values in the foreign currency risk table are based on trade date while the investment table is reported on settle date.

Escheat Investment Account

Pursuant to General Statute 147-69.2(b)(12), the State Treasurer has established a separate investment account on behalf of the Escheat Fund. The investments are reported at fair value as determined by the investment manager. Factors considered by the investment managers in determining fair value include cost, the type of investment, subsequent purchases of the same or similar investments, the current financial position and operating results of the underlying investments and such other factors as may be deemed relevant. At year-end, the Escheat investment account maintained by the State Treasurer had the following investments (dollars in thousands):

<u>Investment Type</u>	<u>Carrying Amount</u>
Other investments:	
Private equity investment partnerships	\$ 40,285
Total investments	<u>\$ 40,285</u>

NOTES TO THE FINANCIAL STATEMENTS**B. Deposits Outside the State Treasurer**

In addition to the pooled deposits maintained by the State Treasurer, other deposits are maintained outside the State Treasurer by the primary government and certain component units. As a general rule, these deposits are not covered by the rules in Chapter 20 NCAC 7 requiring collateralization of uninsured deposits.

Primary Government

The majority of deposits held outside the State Treasurer were maintained by the various clerks of superior court. The clerks of superior court do not have a deposit policy for custodial credit risk. At year-end, the bank balances maintained outside the State Treasurer by the primary government were exposed to custodial credit risk as follows (dollars in thousands):

Uninsured and uncollateralized.....	\$ 5,262
Total.....	<u>\$ 5,262</u>

Component Units

The University of North Carolina (UNC) System does not have a deposit policy for custodial credit risk. At year-end, the bank balances maintained outside the State Treasurer by the UNC System were exposed to custodial credit risk as follows (dollars in thousands):

Uninsured and uncollateralized.....	\$ 198,201
Uninsured and collateral held by pledging bank's trust department or agent but not in the State's name....	1,566
Total.....	<u>\$ 199,767</u>

C. Investments Outside the State Treasurer**Primary Government**

At year-end, 88% of investments held outside the State Treasurer were maintained by the Supplemental Retirement Income Plan of North Carolina and the North Carolina Public Employee Deferred Compensation Plan.

Supplemental Retirement Income Plan of North Carolina and North Carolina Public Employee Deferred Compensation Plan

The General Statutes place no specific investment restrictions on the Supplemental Retirement Income Plan of North Carolina (the 401(k) Plan) or the North Carolina Public Employee Deferred Compensation Plan (the 457 Plan). However, in the absence of specific legislation, the form of governance over the investments would be the prudent-person or prudent-expert rule. These rules are broad statements of intent, generally requiring investment selection and management to be made with prudent, discreet, and intelligent judgment and care.

At December 31, 2013, the 401(k) and 457 Plans of North Carolina had the following investments and maturities that were maintained outside the State Treasurer (dollars in thousands). Investments include managed assets of the Pooled Separate Account SA-NC with Prudential Retirement Insurance and Annuity Company as owner and the Plans as beneficial owners. Investments in this Pooled Separate Account total \$6.13 billion. The remainder of the investments consists of those in the Stable Value Fund supported by five wrap contracts.

NOTES TO THE FINANCIAL STATEMENTS

Investment Type	Carrying Amount	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt investments:					
U.S. Treasuries.....	\$ 254,684	\$ 8,944	\$ 108,747	\$ 126,951	\$ 10,042
U.S. Treasury STRIPS.....	40,816	—	6,896	28,447	5,473
U.S. agencies.....	21,430	1,598	9,892	3,863	6,077
Mortgage pass-throughs.....	64,587	5,179	9,942	15,361	34,105
Collateralized mortgage obligations.....	93,408	8,725	1,902	17,267	65,514
State and local government.....	6,708	—	6,097	—	611
Asset-backed securities.....	47,218	657	41,982	1,619	2,960
Collective investment funds.....	1,432,314	90,595	735,984	605,735	—
Money market mutual funds.....	81,331	81,331	—	—	—
Pooled debt funds.....	266,179	—	—	266,179	—
Domestic corporate bonds.....	137,173	14,550	93,757	21,623	7,243
Foreign corporate bonds.....	66,017	5,428	54,218	4,897	1,474
Foreign government bonds.....	54,599	14,234	36,429	272	3,664
	<u>2,566,464</u>	<u>\$ 231,241</u>	<u>\$ 1,105,846</u>	<u>\$ 1,092,214</u>	<u>\$ 137,163</u>
Other investments:					
Equity mutual funds.....	1,412,212				
Unallocated insurance contracts.....	810,574				
Domestic stocks.....	2,916,751				
Foreign stocks.....	709,055				
Other.....	1,631				
Total investments.....	<u>\$ 8,416,687</u>				

In the above table, the underlying investments of fully benefit-responsive synthetic guaranteed investment contracts (SGICs) are disclosed at fair value. On the Statement of Net Position, SGICs are reported at contract value. At year-end, the fair value of the underlying investments of fully benefit-responsive SGICs exceeded contract value by \$20.1 million. The Plans' investment in the Pooled Separate Account SA-NC is stated at fair value. Units of the Pooled Separate Account SA-NC are reported at fair value, based on the net asset value of the units held by the Plan. Units of common/commingled funds are valued at the net asset value of shares held by the Plan. Investments in fixed income securities (U.S. Treasuries and agency securities, asset-backed securities, collateralized mortgage obligations, commercial mortgage-backed securities, domestic corporate bonds, foreign government bonds, foreign corporate bonds, state and local government bonds, and mortgage pass-throughs) are valued on the basis of valuations furnished by independent pricing services. These services determine valuations for normal institutional-size trading units of such securities using models or matrix pricing, which incorporates yield and/or price with respect to bonds that are considered comparable in characteristics such as rating, interest rate, maturity date and quotations from bond dealers to determine current value. If these valuations are deemed to be either not reliable or not readily available, the fair value will be determined in good faith by the custodian. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Contributions to the collective trust and Pooled Separate Account are credited to participant accounts as units. The value of a unit changes each day based on the current fair value of the investment portfolio. Earnings of the Pooled Separate Account, as well as market fluctuations, are reflected in unit values. Common stock is valued at the closing price reported on the active market on which the individual securities are traded.

Interest Rate Risk. The 401(k) and 457 Plans have a formal investment policy that limits duration as a means of managing their exposure to fair value losses arising from increasing interest rates. The overall duration of the underlying securities in the Stable Value Fund will be between 2 and 3.5 years. The average duration of the Pooled Separate Account's fixed income fund is targeted to be within plus or minus 25% of the Barclay's Capital Aggregate Bond Index. The average duration of the Pooled Separate Account's inflation responsive fund is not limited by the plans' investment policy. Asset-backed securities are securities that are primarily serviced by the cash flows of a discrete pool of receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to the security holders. Commercial mortgage-backed securities, which are included in asset-backed securities, are asset-backed securities whose cash flows are backed by the principal and interest payments of commercial or multifamily property mortgage loans. The sensitivity to changes in interest is considered lower as these types of securities are usually collateralized by fixed-rate mortgages that often contain lockout provisions for prepayment or are subject to prepayment penalties. Collective investment funds include units in the various funds. The interest rate risk in each of the funds is dependent upon the weighted average maturity of each of the collective investment funds which hold securities with maturities ranging from short to intermediate in duration. As a result, the collective investments funds are sensitive to changes in interest rates. Collateralized mortgage obligations generate a return based upon either the payment of interest or principal on mortgages in an underlying pool. The relationship between interest rates and prepayments make the fair value sensitive to

NOTES TO THE FINANCIAL STATEMENTS

changes in interest rates. Investments consist of units in various commingled funds, each with an investment objective relative to maturity and liquidity with interest rate risk dependent upon the weighted average maturity of each of the funds.

Credit Risk. The 401(k) and 457 Plans have a formal investment policy on credit risk. The Plan's investment policy for the Stable Value Fund requires that debt securities, at the time of purchase, shall have a minimum Standard & Poor's (S&P) or Fitch rating of BBB- or Moody's rating of Baa3. The average credit quality of the underlying fixed income investments in the Stable Value Fund will be S&P AA or Moody's Aa2. The Plans' investment policy for the Pooled Separate Account SA-NC requires that debt securities are intended to have an average quality rating of A- or better. The Plans' investment policy for the Pooled Separate Account SA-NC permits investments in issues rated below investment grade, but those securities should not exceed 20% of the fixed income assets. At December 31, 2013, the 401(k) and 457 Plan investments maintained outside the State Treasurer had the following credit quality distribution for securities with credit exposure (dollars in thousands):

Investment Type	Carrying Amount by Credit Rating - Moody's/S&P/Fitch					
	Aaa/AAA	Aa/AA	A	Baa/BBB	Less than Investment Grade	Unrated
U.S. agencies.....	\$ —	\$ 17,730	\$ —	\$ —	\$ —	\$ —
Mortgage pass-throughs.....	—	63,117	—	—	—	—
Collateralized mortgage obligations..	8,756	55,759	3,199	4,251	4,050	4,008
State and local government.....	—	3,787	2,921	—	—	—
Asset-backed securities.....	38,819	3,316	1,971	1,510	133	1,469
Collective investment funds.....	—	—	—	—	—	1,432,314
Money market mutual funds.....	—	—	—	—	—	81,331
Pooled debt funds.....	—	—	—	—	—	266,179
Domestic corporate bonds.....	272	7,025	41,691	88,080	105	—
Foreign corporate bonds.....	3,551	19,047	31,351	11,979	89	—
Foreign government bonds.....	21,038	5,130	12,470	4,529	—	11,432
	<u>\$ 72,436</u>	<u>\$ 174,911</u>	<u>\$ 93,603</u>	<u>\$ 110,349</u>	<u>\$ 4,377</u>	<u>\$ 1,796,733</u>

Custodial Credit Risk. The 401(k) and 457 Plans do not have formal investment policies that address custodial credit risk. At December 31, 2013, the investments of these Plans maintained outside the State Treasurer were exposed to custodial credit risk as follows (dollars in thousands):

Investment Type	Carrying Amount
	Held by Counterparty
U.S. Treasuries.....	\$ 254,684
U.S. Treasury STRIPS.....	40,816
U.S. agencies.....	21,430
Mortgage pass-throughs.....	64,587
Collateralized mortgage obligations....	93,408
State and local government.....	6,708
Asset-backed securities.....	47,218
Domestic corporate bonds.....	137,173
Foreign corporate bonds.....	66,017
Foreign government bonds.....	54,599
Domestic stocks.....	2,916,751
Foreign stocks.....	709,055
Total.....	<u>\$ 4,412,446</u>

NOTES TO THE FINANCIAL STATEMENTS

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. The 401(k) and 457 Plans do not have formal investment policies that address foreign currency risk. At December 31, 2013, the Plans' exposure to foreign currency risk was as follows (dollars in thousands):

Currency	Carrying Amount	
	Foreign stocks	
Euro.....	\$	203,462
Japanese Yen.....		157,743
British Pound Sterling.....		120,545
Swiss Franc.....		38,842
Hong Kong Dollar.....		30,173
Swedish Krona.....		25,265
South Korean Won.....		22,235
Canadian Dollar.....		17,130
Australian Dollar.....		16,237
Danish Krone.....		14,112
Singapore Dollar.....		10,556
South African Rand.....		10,160
New Taiwan Dollar.....		9,556
Turkish Lira.....		9,069
Indian Rupee.....		4,885
Other Currencies.....		19,085
Total.....	\$	<u>709,055</u>

Other Primary Government Investments

The other primary government investments held outside the State Treasurer consisted almost entirely of separate investment accounts held by trustees for special obligation and revenue debt issues to comply with IRS regulations on bond arbitrage, and escheated securities held for owners.

At year-end, the other primary government investments maintained outside the State Treasurer had the following investments and maturities (dollars in thousands):

Investment Type	Carrying Amount	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt investments:					
U.S. Treasuries.....	\$ 25,465	\$ —	\$ 25,104	\$ 361	\$ —
U.S. Treasury STRIPS.....	139	63	75	1	—
U.S. agencies.....	71,970	10,730	59,212	2,028	—
Asset-backed securities.....	4,594	4,594	—	—	—
Repurchase agreements.....	293,614	293,614	—	—	—
Annuity contracts.....	58,317	4,604	18,416	18,416	16,881
Debt mutual funds.....	303	—	76	197	30
Money market mutual funds.....	136,232	136,232	—	—	—
Pooled debt funds.....	471,776	471,776	—	—	—
	<u>1,062,410</u>	<u>\$ 921,613</u>	<u>\$102,883</u>	<u>\$ 21,003</u>	<u>\$ 16,911</u>
Other investments:					
International mutual funds.....	243				
Equity mutual funds.....	323				
Real estate investment trust.....	24				
Domestic stocks.....	78,870				
Total investment securities.....	<u>\$ 1,141,870</u>				

NOTES TO THE FINANCIAL STATEMENTS

Interest Rate Risk and Credit Risk. The special obligation debt proceeds are generally invested in repurchase agreements. As established in the debt covenants for certain issues, repurchase agreements with respect to government obligations can only be entered into with 1) a dealer recognized as a primary dealer by a Federal Reserve Bank with a short-term rating not less than P-1 from Moody's and not less than A-1 from S&P and Fitch; or 2) any commercial bank, trust company, or national banking association rated A or better by Moody's, S&P and Fitch, the deposits of which are insured by the Federal Deposit Insurance Corporation. There are no formally adopted investment policies or debt covenants for special obligation debt proceeds that address interest rate risk.

At year-end, the other primary government investments maintained outside the State Treasurer had the following credit quality distribution for securities with credit exposure (dollars in thousands):

Investment Type	Carrying Amount by Credit Rating - Moody's/S&P/Fitch					
	Aaa/AAA	Aa/AA	A	Baa/BBB	Less than Investment Grade	Unrated
U.S. agencies.....	\$ 71,970	\$ —	\$ —	\$ —	\$ —	\$ —
Asset-backed securities.....	4,594	—	—	—	—	—
Annuity contracts.....	—	58,317	—	—	—	—
Debt mutual funds.....	143	24	33	48	51	4
Money market mutual funds.....	136,194	—	—	—	—	38
Pooled debt funds.....	—	—	—	—	—	471,776
Total.....	<u>\$ 212,901</u>	<u>\$ 58,341</u>	<u>\$ 33</u>	<u>\$ 48</u>	<u>\$ 51</u>	<u>\$ 471,818</u>

Custodial Credit Risk. There were no formally adopted policies that address custodial credit risk of other primary government investments outside the State Treasurer.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair market value of an investment. At year-end, there were no formally adopted policies that address foreign currency risk of other primary government investments outside the State Treasurer.

Component Units**University of North Carolina System**

The General Statutes place no specific investment restrictions on the University of North Carolina System (the UNC System). However, in the absence of specific legislation, the form of governance over these investments would be the prudent-person or prudent-expert rule. These rules are broad statements of intent, generally requiring investment selection and management to be made with prudent, discreet, and intelligent judgment and care. The University of North Carolina at Chapel Hill (the University) operates an Investment Fund, which is a governmental external investment pool. The University operates the Investment Fund for charitable, nonprofit foundations, associations, trusts, endowments and funds that are organized and operated primarily to support the University and other institutions within the UNC System. Separate financial statements for the Investment Fund may be obtained from the University.

Investments of the University of North Carolina at Chapel Hill for which a readily determinable fair value does not exist include investments in certain commingled funds and limited partnerships. These investments are carried at estimated fair values as provided by the respective fund managers of these investments or third party administrators. The Management Company reviews and evaluates the values provided by the fund managers as well as the valuation methods and assumptions used in determining the fair value of such investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed. The majority of private equity limited partnerships and real assets limited partnerships are subject to fair value estimation, which includes discounted cash flow and transaction comparison. The estimated fair value of these investments is \$1.42 billion.

NOTES TO THE FINANCIAL STATEMENTS

At year-end, the UNC System had the following investments and maturities that were maintained outside the State Treasurer (dollars in thousands):

Investment Type	Carrying Amount	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt investments:					
U.S. Treasuries.....	\$ 173,117	\$ 44,030	\$ 121,162	\$ 7,925	\$ —
U.S. agencies.....	136,619	13,969	24,548	4,175	93,927
Mortgage pass-throughs.....	20,650	8,293	6,077	214	6,066
Collateralized mortgage obligations.....	60,163	39,448	83	677	19,955
State and local government.....	2,966	366	—	—	2,600
Asset-backed securities.....	34,120	30,686	3,434	—	—
Collective investment funds.....	40,898	40,898	—	—	—
Commercial paper.....	610	610	—	—	—
Annuity contracts.....	54	54	—	—	—
Debt mutual funds.....	320,446	2,967	35,760	281,313	406
Money market mutual funds.....	352,891	348,355	4,536	—	—
Pooled debt funds.....	873	227	360	286	—
Domestic corporate bonds.....	77,832	15,777	41,036	13,857	7,162
Foreign corporate bonds.....	25,550	3,991	9,423	10,253	1,883
Foreign government bonds.....	452	33	202	217	—
	<u>1,247,241</u>	<u>\$ 549,704</u>	<u>\$ 246,621</u>	<u>\$ 318,917</u>	<u>\$ 131,999</u>
Other investments:					
Balanced mutual funds.....	56,218				
International mutual funds.....	156,803				
Equity mutual funds.....	165,044				
Investments in real estate.....	34,728				
Real estate investment trust.....	72,435				
Hedge funds.....	2,307,034				
Private equity limited partnerships.....	1,008,565				
Real assets limited partnerships.....	526,613				
Other limited partnerships.....	251,752				
Pooled investments.....	4,768				
Unallocated insurance contracts.....	544				
Domestic stocks.....	227,284				
Foreign stocks.....	10,851				
Other.....	17,267				
Total investments.....	<u>\$ 6,087,147</u>				

NOTES TO THE FINANCIAL STATEMENTS

Interest Rate Risk and Credit Risk. The constituent institutions of the UNC System generally do not have formal investment policies that address interest rate risk or credit risk. At year-end, the UNC System's investments maintained outside the State Treasurer had the following credit quality distribution for securities with credit exposure (dollars in thousands):

Investment Type	Carrying Amount by Credit Rating - Moody's/S&P/Fitch					
	Aaa/AAA	Aa/AA	A	Baa/BBB	Less than Investment Grade	Unrated
U.S. agencies.....	\$ 590	\$ 133,564	\$ —	\$ —	\$ —	\$ 433
Mortgage pass-throughs.....	290	—	—	1,682	8,424	10,254
Collateralized mortgage obligations..	476	934	645	—	—	58,108
State and local government.....	911	286	1,053	350	—	—
Asset-backed securities.....	6,015	1,745	4,392	6,289	14,415	1,264
Collective investment funds.....	—	5,709	5,429	—	728	29,032
Commercial paper.....	—	—	—	—	—	610
Debt mutual funds.....	77,869	120,732	14,430	84,917	13,495	9,003
Money market mutual funds.....	336,484	499	1,853	611	—	11,343
Pooled debt funds.....	—	—	—	—	—	873
Domestic corporate bonds.....	8,257	21,949	31,996	6,428	6,730	585
Foreign corporate bonds.....	1,529	487	1,607	8,119	13,173	69
Foreign government bonds.....	—	—	—	202	217	33
Total.....	<u>\$ 432,421</u>	<u>\$ 285,905</u>	<u>\$ 61,405</u>	<u>\$ 108,598</u>	<u>\$ 57,182</u>	<u>\$ 121,607</u>

Custodial Credit Risk. The constituent institutions of the UNC System generally do not have formal investment policies that address custodial credit risk. At year-end, the UNC System's investments maintained outside the State Treasurer were exposed to custodial credit risk as follows (dollars in thousands):

Investment Type	Carrying Amount	
	Held by Counterparty	Held by Counterparty's Trust Dept. or Agent but not in the State's name
U.S. Treasuries.....	\$ 24,196	\$ 3,817
U.S. agencies.....	2,383	—
Mortgage pass-throughs.....	10,254	—
Collateralized mortgage obligations..	144	—
State and local government.....	366	2,600
Asset-backed securities.....	—	3,434
Domestic corporate bonds.....	18,629	9,318
Foreign corporate bonds.....	565	493
Domestic stocks.....	25,221	75
Foreign stocks.....	1,123	18
Total	<u>\$ 82,881</u>	<u>\$ 19,755</u>

Foreign Currency Risk. The constituent institutions of the UNC System do not have formal investment policies that address foreign currency risk. At year-end, the UNC System's investments maintained outside the State Treasurer were exposed to foreign currency risk as follows (dollars in thousands):

Currency	Carrying Amount		
	Hedge funds	Private equity limited partnerships	Real assets limited partnerships
Euro.....	\$ 30,847	\$ 97,028	\$ 21,915
Canadian Dollar.....	—	—	9,850
British Pound Sterling....	—	11,464	8,608
Australian Dollar.....	—	5,790	—
Total.....	<u>\$ 30,847</u>	<u>\$ 114,282</u>	<u>\$ 40,373</u>

NOTES TO THE FINANCIAL STATEMENTS**NOTE 4: RECEIVABLES**

Receivables at June 30, 2014, are reported net of allowances for doubtful accounts as follows (dollars in thousands):

Governmental Activities:

	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Internal Service Funds	Total
Receivables, gross (excluding notes)..	\$ 3,861,069	\$ 283,443	\$ 44,693	\$ 25,527	\$ 18,130	\$ 4,232,862
Allowance for doubtful accounts.....	(859,261)	(63,798)	—	(13)	—	(923,072)
Receivables, net.....	<u>\$ 3,001,808</u>	<u>\$ 219,645</u>	<u>\$ 44,693</u>	<u>\$ 25,514</u>	<u>\$ 18,130</u>	<u>\$ 3,309,790</u>
Notes receivable, gross.....	\$ 85,863	\$ 780	\$ 58	\$ 41,036	\$ —	\$ 127,737
Allowance for doubtful accounts.....	(46,365)	—	—	—	—	(46,365)
Notes receivable, net.....	<u>\$ 39,498</u>	<u>\$ 780</u>	<u>\$ 58</u>	<u>\$ 41,036</u>	<u>\$ —</u>	<u>\$ 81,372</u>

Within governmental activities, the significant receivables not expected to be collected within one year in the General Fund are \$22.17 million of accounts, intergovernmental, and notes receivables.

Business-Type Activities:

	Unemployment Compensation Fund	EPA Revolving Loan Fund	N.C. State Lottery Fund	N.C. Turnpike Authority	Other Enterprise Funds	Total
Receivables, gross (excluding notes)..	\$ 737,407	\$ 3,649	\$ 22,094	\$ 12,543	\$ 2,474	\$ 778,167
Allowance for doubtful accounts.....	(85,418)	—	—	—	(9)	(85,427)
Receivables, net.....	<u>\$ 651,989</u>	<u>\$ 3,649</u>	<u>\$ 22,094</u>	<u>\$ 12,543</u>	<u>\$ 2,465</u>	<u>\$ 692,740</u>

NOTES TO THE FINANCIAL STATEMENTS**NOTE 5: CAPITAL ASSETS**

Primary Government A summary of changes in capital assets for the year ended June 30, 2014 is presented below (dollars in thousands).

Governmental Activities

	Balance July 1, 2013 (as restated)	Increases	Decreases	Balance June 30, 2014
Capital Assets, nondepreciable				
Land and permanent easements	\$ 15,662,140	\$ 554,950	\$ (914)	\$ 16,216,176
Art, literature, and other artifacts	99,179	5,209	(92)	104,296
Construction in progress	1,923,523	1,696,459	(1,547,406)	2,072,576
Computer software in development	453,560	130,808	(239,236)	345,132
Total capital assets-nondepreciable	<u>18,138,402</u>	<u>2,387,426</u>	<u>(1,787,648)</u>	<u>18,738,180</u>
Capital Assets, depreciable				
Buildings	3,773,250	75,803	(1,624)	3,847,429
Machinery and equipment	1,673,955	130,116	(97,521)	1,706,550
General infrastructure	242,408	12,258	(520)	254,146
State highway system	29,805,469	1,460,121	(75,603)	31,189,987
Computer software	36,181	239,235	(86)	275,330
Total capital assets-depreciable	<u>35,531,263</u>	<u>1,917,533</u>	<u>(175,354)</u>	<u>37,273,442</u>
Less accumulated depreciation for				
Buildings	(1,002,684)	(70,751)	781	(1,072,654)
Machinery and equipment	(1,087,913)	(94,479)	84,169	(1,098,223)
General infrastructure	(81,148)	(5,495)	213	(86,430)
State highway system	(8,742,492)	(623,800)	72,579	(9,293,713)
Computer software	(6,871)	(7,749)	—	(14,620)
Total accumulated depreciation	<u>(10,921,108)</u>	<u>(802,274)</u>	<u>157,742</u>	<u>(11,565,640)</u>
Total capital assets-depreciable, net	<u>24,610,155</u>	<u>1,115,259</u>	<u>(17,612)</u>	<u>25,707,802</u>
Governmental activities capital assets, net	<u>\$ 42,748,557</u>	<u>\$ 3,502,685</u>	<u>\$ (1,805,260)</u>	<u>\$ 44,445,982</u>

NOTES TO THE FINANCIAL STATEMENTS**Business-type Activities**

	Balance July 1, 2013 (as restated)	Increases	Decreases	Balance June 30, 2014
Capital Assets, nondepreciable				
Land and permanent easements	\$ 154,884	\$ 4,609	\$ —	\$ 159,493
Construction in progress	167,671	41,469	(2,137)	207,003
Total capital assets-nondepreciable	<u>322,555</u>	<u>46,078</u>	<u>(2,137)</u>	<u>366,496</u>
Capital Assets, depreciable				
Buildings	56,093	2,463	(281)	58,275
Machinery and equipment	17,437	1,950	(861)	18,526
General infrastructure	16,053	—	(18)	16,035
NC toll road system	806,486	—	—	806,486
Computer software	180	—	—	180
Total capital assets-depreciable	<u>896,249</u>	<u>4,413</u>	<u>(1,160)</u>	<u>899,502</u>
Less accumulated depreciation for				
Buildings	(24,272)	(1,386)	148	(25,510)
Machinery and equipment	(10,774)	(1,642)	628	(11,788)
General infrastructure	(11,077)	(331)	18	(11,390)
NC toll road system	(11,781)	(16,129)	—	(27,910)
Computer software	(154)	(14)	—	(168)
Total accumulated depreciation	<u>(58,058)</u>	<u>(19,502)</u>	<u>794</u>	<u>(76,766)</u>
Total capital assets-depreciable, net	<u>838,191</u>	<u>(15,089)</u>	<u>(366)</u>	<u>822,736</u>
Business-type activities				
capital assets, net	<u>\$ 1,160,746</u>	<u>\$ 30,989</u>	<u>\$ (2,503)</u>	<u>\$ 1,189,232</u>

Depreciation expense was charged to functions/programs of the primary government as follows (dollars in thousands):**Governmental activities**

General government	\$ 28,260
Primary and secondary education	1,816
Higher education	110
Health and human services	22,091
Economic development	1,090
Environment and natural resources	14,771
Public safety, corrections, and regulation	56,138
Transportation	671,269
Agriculture	6,729
Total depreciation expense	<u>\$ 802,274</u>

Business-type activities

N.C. State Lottery	\$ 439
EPA Revolving Loan	19
N.C. Turnpike Authority	16,130
Regulatory programs	1,497
North Carolina State Fair	547
Other business-type activities	870
Total depreciation expense	<u>\$ 19,502</u>

NOTES TO THE FINANCIAL STATEMENTS

Component Units (University of North Carolina System and community colleges). Capital asset activity for the University of North Carolina System and community colleges for the fiscal year ended June 30, 2014, was as follows (dollars in thousands):

University of North Carolina System	Balance			Balance
	July 1, 2013	Increases	Decreases	
	(as restated)			
Capital Assets, nondepreciable				
Land and permanent easements	\$ 388,851	\$ 17,154	\$ (9,674)	\$ 396,331
Art, literature, and other artifacts	151,305	3,137	(308)	154,134
Construction in progress	979,379	449,790	(800,948)	628,221
Computer software in development	46,352	30,113	(11,060)	65,405
Other intangible assets	1,000	—	—	1,000
Total capital assets-nondepreciable	<u>1,566,887</u>	<u>500,194</u>	<u>(821,990)</u>	<u>1,245,091</u>
Capital Assets, depreciable				
Buildings	11,243,080	867,100	(21,617)	12,088,563
Machinery and equipment	2,318,297	168,264	(95,749)	2,390,812
Art, literature, and other artifacts	1,233	30	—	1,263
General infrastructure	1,784,801	112,619	(2,645)	1,894,775
Computer software	162,474	79,209	(36,407)	205,276
Other intangible assets	12,725	1,282	(124)	13,883
Total capital assets-depreciable	<u>15,522,610</u>	<u>1,228,504</u>	<u>(156,542)</u>	<u>16,594,572</u>
Less accumulated depreciation for				
Buildings	(3,112,013)	(289,578)	11,091	(3,390,500)
Machinery and equipment	(1,450,485)	(149,334)	77,997	(1,521,822)
Art, literature, and other artifacts	(475)	(73)	—	(548)
General infrastructure	(564,144)	(52,144)	637	(615,651)
Computer software	(53,146)	(13,986)	1,318	(65,814)
Other intangible assets	(2,328)	(170)	—	(2,498)
Total accumulated depreciation	<u>(5,182,591)</u>	<u>(505,285)</u>	<u>91,043</u>	<u>(5,596,833)</u>
Total capital assets-depreciable, net	<u>10,340,019</u>	<u>723,219</u>	<u>(65,499)</u>	<u>10,997,739</u>
University of North Carolina System				
capital assets, net	<u>\$ 11,906,906</u>	<u>\$ 1,223,413</u>	<u>\$ (887,489)</u>	<u>\$ 12,242,830</u>

Capital assets of nongovernmental component units of the University of North Carolina System are excluded from the above amounts. At June 30, 2014, nongovernmental component unit foundations and similarly affiliated organizations of the University of North Carolina System had nondepreciable capital assets of \$42.488 million and net depreciable capital assets of \$107.278 million.

NOTES TO THE FINANCIAL STATEMENTS**Community Colleges**

	Balance July 1, 2013 (as restated)	Increases	Decreases	Balance June 30, 2014
Capital Assets, nondepreciable				
Land and permanent easements	\$ 164,221	\$ 7,204	\$ (377)	\$ 171,048
Art, literature, and other artifacts	360	176	—	536
Construction in progress	127,633	136,965	(101,773)	162,825
Total capital assets-nondepreciable	<u>292,214</u>	<u>144,345</u>	<u>(102,150)</u>	<u>334,409</u>
Capital Assets, depreciable				
Buildings	2,527,698	121,230	(3,427)	2,645,501
Machinery and equipment	363,772	42,673	(14,315)	392,130
Art, literature, and other artifacts	535	39	—	574
General infrastructure	160,372	9,247	(377)	169,242
Computer software	1,207	—	—	1,207
Total capital assets-depreciable	<u>3,053,584</u>	<u>173,189</u>	<u>(18,119)</u>	<u>3,208,654</u>
Less accumulated depreciation for				
Buildings	(654,247)	(51,811)	1,689	(704,369)
Machinery and equipment	(142,313)	(21,742)	10,567	(153,488)
Art, literature, and other artifacts	(114)	(14)	—	(128)
General infrastructure	(41,165)	(4,204)	386	(44,983)
Computer software	(614)	(120)	—	(734)
Total accumulated depreciation	<u>(838,453)</u>	<u>(77,891)</u>	<u>12,642</u>	<u>(903,702)</u>
Total capital assets-depreciable, net	<u>2,215,131</u>	<u>95,298</u>	<u>(5,477)</u>	<u>2,304,952</u>
Community Colleges capital assets, net	<u>\$ 2,507,345</u>	<u>\$ 239,643</u>	<u>\$ (107,627)</u>	<u>\$ 2,639,361</u>

Capital assets of nongovernmental component units of community colleges are excluded from the above amounts. At June 30, 2014, nongovernmental component unit foundations and similarly affiliated organizations of community colleges had nondepreciable capital assets of \$6.532 million and net depreciable capital assets of \$7.232 million.

NOTES TO THE FINANCIAL STATEMENTS**NOTE 6: SHORT-TERM DEBT****Component Units****University of North Carolina System**

At the University of North Carolina at Chapel Hill, commercial paper was issued from the University of North Carolina General Revenue Bonds, Series 2012A and 2012B, to provide interim financing for the construction of capital projects. The amount of outstanding commercial paper as of June 30, 2014 was \$18 million.

North Carolina State University has available commercial paper program financing for short-term credit up to \$100 million to finance capital construction projects. The University's available funds are pledged to the commercial paper program financing with the anticipation of converting to general revenue bond financing in the future. As of June 30, 2014, the amount of outstanding commercial paper was \$10 million.

On February 19, 2013, Winston-Salem State University entered into a loan agreement with First Tennessee Bank for \$12.8 million that was repaid with bond proceeds received in July 2013. The proceeds were used to pay for the continued construction on the new Student Activities Center and Student Success Center. As of June 30, 2014, there was no outstanding balance.

UNC Health Care System has a revolving line of credit used to support short-term normal operating expenses and to enhance liquidity. The amount outstanding on the revolving line of credit as of June 30, 2014 was \$12.331 million.

Short-term debt activity for the University of North Carolina System for the fiscal year ended June 30, 2014, is as follows (dollars in thousands):

	Balance			Balance
	July 1, 2013	Draws	Repayments	June 30, 2014
<u>University of North Carolina System</u>				
Commercial paper program.....	\$ 18,000	\$ 10,000	\$ —	\$ 28,000
Anticipation notes.....	12,800	—	(12,800)	—
Line of credit.....	14,855	63,907	(66,431)	12,331
Total short-term debt.....	<u>\$ 45,655</u>	<u>\$ 73,907</u>	<u>\$ (79,231)</u>	<u>\$ 40,331</u>

NOTES TO THE FINANCIAL STATEMENTS**NOTE 7: DERIVATIVE INSTRUMENTS****A. Summary Information**

A summary of derivative instrument activity during the fiscal year and balances at year-end, classified by type, are as follows (dollars in thousands):

Type	Changes in Fair Value		Fair Value at June 30, 2014		
	Classification	Increase (Decrease)	Classification	Debit (Credit)	Notional
Primary Government					
Fiduciary Funds					
Investment derivatives:					
U.S. dollar equity futures	Investment earnings	\$ 9,731	State Treasurer Investment Pool	\$ 9,731	\$720,700
Commodity futures	Investment earnings	11,357	State Treasurer Investment Pool	11,357	(a)
Total		<u>\$ 21,088</u>		<u>\$ 21,088</u>	
Component Units					
University of North Carolina System					
Cash flow hedges:					
Pay-fixed interest rate swaps:					
UNC at Chapel Hill	Deferred outflow of resources	\$ (2,763)	Hedging derivatives liability	\$ (83,189)	\$250,000
N.C. State University	Deferred outflow of resources	243	Hedging derivatives liability	(11,973)	\$ 74,655
UNC at Pembroke	Deferred outflow of resources	449	Hedging derivatives liability	(2,102)	\$ 9,495
Fayetteville State University	Deferred outflow of resources	(120)	Hedging derivatives liability	(2,219)	\$ 11,183
N.C. Central University	Deferred outflow of resources	(33)	Hedging derivatives liability	(1,073)	\$ 7,306
UNC Hospitals	Deferred outflow of resources	907	Hedging derivatives liability	(17,573)	\$124,495
Total		<u>\$ (1,317)</u>		<u>\$(118,129)</u>	
Investment derivatives:					
UNC at Chapel Hill:					
Pay-fixed interest rate swap	Operating grants and contributions	\$ 375	Accounts payable	\$ (3,828)	\$ 17,765
U.S. dollar equity futures	Operating grants and contributions	18,119	Investments	58,905	\$ 58,474
Foreign equity futures	Operating grants and contributions	2,265	Investments	21,616	(b)
Total		<u>\$ 20,759</u>		<u>\$ 76,693</u>	

(a) 1.13 million U.S. barrels of crude oil; 858,000 barrels of Brent crude oil; 1.81 million troy ounces of silver; 35.16 million pounds of live cattle; 90,300 troy ounces of gold; 13.4 million U.S. gallons of gasoline; 4.75 million pounds of cattle feeder; 5.41 million bushels of soybeans; and 13.58 million bushels of corn.

(b) 2 billion yen.

For component units, the fair values of interest rate swaps were measured using market prices except as follows:

The fair values of interest rate swaps at University of North Carolina (UNC) at Chapel Hill, UNC at Pembroke, and Fayetteville State University were estimated using the zero coupon method. This method calculated the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The fair value of the interest rate swap at N.C. Central University was determined by the counterparty using mathematical approximations of market values based on a function of long-term swap rates. The swap was discounted due to the expectation for lower London Interbank Offered Rate (LIBOR) rates in the future.

NOTES TO THE FINANCIAL STATEMENTS**B. Hedging Derivative Instruments****Component Units****University of North Carolina System**

The following table displays the objectives and terms of the University of North Carolina System's hedging derivative instruments outstanding at June 30, 2014 (dollars in thousands):

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms
UNC at Chapel Hill					
Pay-fixed interest rate swap	Hedge changes in cash flows on General Revenue 2001B&C and 2012A&B Series bonds	\$100,000	12/1/07	12/1/36	Pay 3.314%; receive 67% of one-month LIBOR
Pay-fixed interest rate swap	Hedge changes in cash flows on General Revenue 2001B&C and 2012A&B Series bonds	\$150,000	12/1/11	12/1/41	Pay 4.375%; receive 67% of one-month LIBOR
N.C. State University					
Pay-fixed interest rate swap	Hedge changes in cash flows on General Revenue 2003B Series bonds	\$ 24,655	6/20/03	10/1/27	Pay 3.54%; receive 75% of one-month LIBOR
Pay-fixed interest rate swap	Hedge changes in cash flows on General Revenue 2008A Series bonds	\$ 50,000	9/1/08	10/1/26	Pay 3.862%; receive SIFMA Swap index
UNC at Pembroke					
Pay-fixed interest rate swap	Hedge changes in cash flows on Student Housing Revenue 2001A Series bonds	\$ 9,495	11/1/01	7/1/31	Pay 3.955%; receive 67% of one-month LIBOR
Fayetteville State University					
Pay-fixed interest rate swap	Hedge changes in cash flows on Housing Facilities Revenue 2001 Series bonds	\$ 11,183	10/1/01	11/1/33	Pay 3.45%; receive 67% of one-month LIBOR
N.C. Central University					
Pay-fixed interest rate swap	Hedge changes in cash flows on Housing Facilities Revenue 2003A Series bonds	\$ 7,306	4/1/04	10/1/24	Pay 3.515%; receive 70% of one-month LIBOR
UNC Hospitals					
Pay-fixed interest rate swap	Hedge changes in cash flows on Revenue 2003A&B Series bonds	\$ 92,295	2/13/03	2/1/29	Pay 3.48%; receive 67% of one-month LIBOR
Pay-fixed interest rate swap	Hedge changes in cash flows on Revenue 2009A Series bonds	\$ 32,200	2/12/09	2/1/24	Pay 3.606%; receive 67% of one-month LIBOR

The University of North Carolina System's hedging derivative instruments are exposed to the following risks that could give rise to financial loss:

UNC at Chapel Hill

Interest rate risk. UNC at Chapel Hill (University) is exposed to interest rate risk on its interest rate swaps which is largely offset (or expected to be offset) by rates paid on variable-rate debt. In addition, the fair values of these instruments are highly sensitive to changes in interest rates. Because rates have declined significantly since the effective dates of the swaps, both of the swaps have a negative fair value as of June 30, 2014. The fair values are calculated as of June 30, 2014. As rates rise, the value of the swaps will increase, and as rates fall the fair value of the swaps will decrease.

Basis risk. The University is exposed to basis risk on the swaps to the extent there is a mismatch between variable bond rates paid and swap index rates received.

Termination risk. The swap agreements use the International Swaps and Derivatives Association (ISDA) Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the University being required to make an unanticipated termination payment. The swaps may mandatorily terminate if the University fails to perform under terms of the contract.

NOTES TO THE FINANCIAL STATEMENTS

Rollover risk. The University is exposed to rollover risk on the \$100 million swap based upon the maturity date of the underlying debt and due to the form of the debt as variable rate demand bonds.

N.C. State University

Interest rate risk. N.C. State University (University) is exposed to interest rate risk on its interest rate swaps. The fair values of these instruments are highly sensitive to interest rate changes. Because rates have changed since the effective dates of the swaps, both of the swaps have a negative fair value as of June 30, 2014. The negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates. Because the coupons on the University's variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases. The fair values are the market values as of June 30, 2014. Both of the swaps outstanding have termination dates greater than 12 years. As the yield curve rises, the value of the swaps will increase and as rates fall, the value of the swaps will decrease.

Basis risk. The University is exposed to basis risk on the swaps when the variable payment received is based on an index other than the Securities Industry and Financial Markets Association Swap Index (SIFMA). Should the relationship between LIBOR and SIFMA move to convergence, the expected cost savings may not be realized. The current outstanding swaps and the related bonds reset rates weekly and pay monthly. As of June 30, 2014, the SIFMA rate was 0.06%, whereas 75% of LIBOR was 0.12%.

Termination risk. The University or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. If any of the swaps are terminated, the associated variable-rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swap has a negative fair value, the University would be liable to the counterparty for that amount.

Rollover risk. By definition, the University is exposed to rollover risk because the swap related to the 2008A bonds terminates October 1, 2026, two years before the related bonds mature on October 1, 2028. It is not the intent of the University at this time to re-hedge the bonds.

Future swaps. The University has also entered into a future dated interest rate swap agreement for \$22.38 million to be effective March 1, 2017, on the General Revenue Series 2008A bonds.

UNC at Pembroke

Interest rate risk. UNC at Pembroke (University) is exposed to interest rate risk on its interest rate swap. The fair value of this instrument is highly sensitive to interest rate changes. As LIBOR increases, the University's net payment on the swap increases.

Basis risk. The University is exposed to basis risk on the swap because the variable-rate payments received is based on a different rate than the University pays on its 2001A Series variable rate debt. As of June 30, 2014, the interest rate on the University's swap is benchmarked to 67% of one-month LIBOR, which is 0.1%. The variable-interest rate paid is not benchmarked to a reference rate but is reset weekly by the Remarketing Agent based upon market conditions and the University's credit rating. At June 30, 2014, the interest rate upon the demand bond was 0.05%.

Termination risk. The University or its counterparty may terminate the swap if the other party fails to perform under the terms of the contract.

Fayetteville State University

Interest rate risk. Fayetteville State University (University) is exposed to interest rate risk on the interest rate swap. The fair value of this instrument is highly sensitive to interest rate changes. As LIBOR increases, the University's net payment on the swap decreases.

Basis risk. The University is exposed to basis risk on the pay fixed interest rate swap because the variable-rate payments received is based on a different rate than the University pays on its 2001 Series variable rate debt. As of June 30, 2014, the interest rate on the University's pay-fixed interest rate swap is benchmarked to 67% of one-month LIBOR, which is 0.13%. The variable-interest rate paid on the University's debt is not benchmarked to a reference rate but is reset weekly by the Remarketing Agent based upon market conditions and the University's credit rating. At June 30, 2014, the interest rate upon the demand bond was 0.06%.

Termination risk. The University or its counterparty may terminate the swap if the other party fails to perform under the terms of the contract.

NOTES TO THE FINANCIAL STATEMENTS*N.C. Central University*

Interest rate risk. N.C. Central University (University) is exposed to interest rate risk on its interest rate swap. The fair value of this instrument is highly sensitive to interest rate changes. Because rates have decreased since the effective date of the swap, the swap has a negative fair value as of June 30, 2014. The negative fair value is countered by a reduction in total interest payments required under the variable-rate bonds. Because the coupons on the University's variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases.

Basis risk. The swap exposes the University to basis risk when the variable payment received is based on an index other than SIFMA. Should the relationship between LIBOR and SIFMA converge, the synthetic rates on the debt would change. The University receives 70% of a one-month LIBOR from the counterparty and pays a floating rate to its bondholders set by the Remarketing Agent. The University incurs basis risk when its bonds trade at a yield above 70% of LIBOR. If the relationship of the University's bonds trade to a percentage of LIBOR greater than 70%, the University will experience an increase in debt service above the fixed rate on the swap.

Termination risk. The swap contract uses the ISDA Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the University being required to make an unanticipated termination payment. As of June 30, 2014, no termination events had occurred and there was no known date when the derivative instrument may be terminated. The swap agreement is terminated if the University or the counterparty fails to perform under the contract. There were no out of the ordinary termination events as of June 30, 2014.

Rollover risk. The University is exposed to rollover risk when the swap matures on October 1, 2024. When the swap matures, the interest rate on the underlying debt will return to a variable rate. The bonds mature on October 1, 2034.

UNC Hospitals

Interest rate risk. UNC Hospitals (Hospitals) is exposed to interest rate risk on its interest rate swaps. The fair values of these instruments are sensitive to interest rate changes. Because rates have changed since the effective dates of the swaps, both of the swaps have a negative fair value as of June 30, 2014. The negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates. Because the coupons on the Hospitals' variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases. As the yield curve rises, the value of the swaps will increase and as rates fall, the value of the swaps will decrease. The fair values reported are the market values as of June 30, 2014.

Basis risk. The Hospitals receives 67% of one-month LIBOR from Bank of America, N.A. and pays a floating rate to its bondholders set by the Remarketing Agent. The Hospitals incurs basis risk when its bonds trade at a yield above 67% of one-month LIBOR. If the relationship of the Hospitals' bonds trade to a percentage of LIBOR is greater than 67%, the Hospitals will experience an increase in debt service above the fixed rate on the swap.

Termination risk. The derivative contracts use the ISDA Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Hospitals or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the associated variable-rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swap has a negative fair value, the Hospitals would be liable to the counterparty for that amount. Termination could result in the Hospitals being required to make an unanticipated termination payment.

Information on debt service requirements on long-term debt of the primary government and component units and net cash flows on associated hedging derivative instruments is presented in Note 8E.

C. Investment Derivative Instruments**Primary Government**

The Investment Pool maintained by the State Treasurer has investments in U.S. dollar equity futures and commodity futures. The investment disclosures for these derivatives are included as part of the equity based trust and inflation portfolios which are included in the Investment Pool. More detailed information about the Investment Pool is presented in Note 3A.

Component Units

The University of North Carolina System's investment derivative instruments are exposed to the following risks that could give rise to financial loss:

NOTES TO THE FINANCIAL STATEMENTS**University of North Carolina System***UNC at Chapel Hill*

Interest rate risk. UNC at Chapel Hill (University) is exposed to interest rate risk on its interest rate swap. The fair value of this instrument is highly sensitive to interest rate changes. Because rates have changed since the effective dates of the swap, the swap has a negative fair value as of June 30, 2014. The negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates. Because the coupons on the University's variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases. The negative fair value is the calculated value as of June 30, 2014. As the yield curve rises, the value of the swap will increase and as rates fall, the value of the swap will decrease. The University pays 5.24% and receives SIFMA. On June 30, 2014, SIFMA was 0.06%. The interest rate swap has a notional amount of \$17.76 million and matures November 1, 2025.

Foreign currency risk. Futures contracts based in foreign currency obligate the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price. More detailed information about the University of North Carolina System's exposure to foreign currency risk is presented in Note 3C.

D. Synthetic Guaranteed Investment Contracts**Primary Government**

In the Supplemental Retirement Income Plan of North Carolina, 401(k) Plan, there are synthetic guaranteed investment contracts (SGICs) within the North Carolina Stable Value Fund. SGICs are unallocated insurance contracts. There are three SGICs with The Prudential Insurance Company of America (Prudential) and one SGIC with American General Life Insurance Company (American General) which are all fully benefit responsive. The SGICs provided an average credit rating yield of 2.02%, 2.02%, 2.02%, and 1.32%, respectively. The fair value of the securities covered by the contracts as of December 31, 2013, is \$1.02 billion and the contract value is \$1.01 billion. The contracts are unrated and have a maturity of less than one year.

In the North Carolina Public Employee Deferred Compensation Plan, 457 Plan, there are SGICs within the North Carolina Stable Value Fund. SGICs are unallocated insurance contracts. There are three SGICs with Prudential and one SGIC with American General which are all fully benefit responsive. The SGICs provided an average credit rating yield of 2.1%, 2.1%, 2.1%, and 1.33%, respectively. The fair value of the securities covered by the contracts as of December 31, 2013, is \$213 million and the contract value is \$209 million. The contracts are unrated and have a maturity of less than one year.

Both the Supplemental Retirement Income Plan of North Carolina and the North Carolina Public Employee Deferred Compensation Plan have entered into wrap contracts with Prudential and American General to assure that the crediting rate on participant investments will not be less than zero. The wrap contracts with Prudential and American General were determined to have no value.

NOTES TO THE FINANCIAL STATEMENTS**NOTE 8: LONG-TERM LIABILITIES****A. Changes in Long-Term Liabilities**

Primary Government. Long-term liability activity for the year ended June 30, 2014, was as follows (dollars in thousands):

	Balance July 1, 2013 (as restated)	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Governmental activities:					
Bonds and similar debt payable:					
General obligation bonds	\$ 3,999,580	\$ 306,685	\$ (699,165)	\$ 3,607,100	\$ 369,240
Special indebtedness:					
Lease-purchase revenue bonds	20,915	—	(16,790)	4,125	2,125
Certificates of participation	508,500	—	(260,885)	247,615	42,390
Limited obligation bonds	1,993,740	199,570	(61,225)	2,132,085	79,660
GARVEE bonds	454,820	—	(59,545)	395,275	62,040
Issuance premium	623,105	98,789	(162,966)	558,928	—
Total bonds and similar debt payable	<u>7,600,660</u>	<u>605,044</u>	<u>(1,260,576)</u>	<u>6,945,128</u>	<u>555,455</u>
Notes payable	39,312	6,704	(6,278)	39,738	5,643
Capital leases payable	19,367	29	(1,527)	17,869	1,524
Compensated absences	425,714	261,613	(266,742)	420,585	32,680
Net pension obligation	1,227	34,023	(34,104)	1,146	—
Workers' compensation	150,251	90,927	(63,464)	177,714	55,299
Death benefit payable	400	90	—	490	350
Pollution remediation payable	6,277	1,050	(323)	7,004	32
Claims and judgments payable	<u>741,703</u>	<u>—</u>	<u>—</u>	<u>741,703</u>	<u>10,000</u>
Governmental activity long-term liabilities	<u>\$ 8,984,911</u>	<u>\$ 999,480</u>	<u>\$ (1,633,014)</u>	<u>\$ 8,351,377</u>	<u>\$ 660,983</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 1,058,458	\$ —	\$ (19,150)	\$ 1,039,308	\$ 19,720
GARVEE bonds	145,535	—	—	145,535	—
Issuance premium	28,661	—	(2,729)	25,932	—
Issuance discount	<u>(1,896)</u>	<u>—</u>	<u>116</u>	<u>(1,780)</u>	<u>—</u>
Total bonds payable	1,230,758	—	(21,763)	1,208,995	19,720
Notes payable	377,466	107	(704)	376,869	217
Annuity and life income payable	53,820	8,652	(4,154)	58,318	4,604
Federal unemployment account advances	2,154,771	486,716	(1,660,501)	980,986	980,986
Compensated absences	<u>7,417</u>	<u>5,479</u>	<u>(5,285)</u>	<u>7,611</u>	<u>693</u>
Business-type activity long-term liabilities	<u>\$ 3,824,232</u>	<u>\$ 500,954</u>	<u>\$ (1,692,407)</u>	<u>\$ 2,632,779</u>	<u>\$ 1,006,220</u>

For governmental activities, the compensated absences, net pension obligation, and workers' compensation liabilities are generally liquidated by the General Fund. Pollution remediation payable is generally liquidated by the Highway Fund. A portion of compensated absences is also liquidated by the Highway Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, the following long-term liabilities of internal service funds were included in the above amounts: compensated absences of \$5.86 million and capital leases payable of \$323 thousand.

NOTES TO THE FINANCIAL STATEMENTS

Component Unit (University of North Carolina System). Long-term liability activity for the year ended June 30, 2014, was as follows (dollars in thousands):

	Balance July 1, 2013 (as restated)	Increases	Decreases	Balance June 30, 2014	Due Within One Year
University of North Carolina System:					
Bonds payable:					
Revenue bonds	\$ 3,778,626	\$ 334,414	\$ (177,356)	\$ 3,935,684	\$ 237,179
Certificates of participation	228,710	—	(5,690)	223,020	4,145
Issuance premium	103,446	23,523	(6,430)	120,539	—
Issuance discount	(17,028)	(1,509)	3,616	(14,921)	—
Total bonds payable	4,093,754	356,428	(185,860)	4,264,322	241,324
Notes payable	317,501	125,618	(88,782)	354,337	22,612
Capital leases payable	45,418	9,395	(8,419)	46,394	9,557
Arbitrage rebate payable	225	100	—	325	—
Annuity and life income payable	21,847	2,244	(3,011)	21,080	1,439
Compensated absences	382,397	292,026	(285,106)	389,317	51,616
Pollution remediation payable	10	75	—	85	75
Liability insurance trust fund payable	44,282	1,589	(4,028)	41,843	8,696
Total long-term liabilities	<u>\$ 4,905,434</u>	<u>\$ 787,475</u>	<u>\$ (575,206)</u>	<u>\$ 5,117,703</u>	<u>\$ 335,319</u>

Long-term liabilities of nongovernmental component units of the University of North Carolina System are excluded from the above amounts. At June 30, 2014, nongovernmental component unit foundations and similarly affiliated organizations of the University of North Carolina System had total long-term liabilities of \$170.841 million, of which \$11.455 million was due within one year and \$159.386 million was due in more than one year.

NOTES TO THE FINANCIAL STATEMENTS**B. Bonds, Special Indebtedness, and Notes Payable**

Bonds, special indebtedness, and notes payable at June 30, 2014 were as follows (dollars in thousands):

	Interest Rates	Maturing Through Fiscal Year	Original Borrowing	Outstanding Balance
Primary Government:				
<u>Governmental activities</u>				
General obligation bonds.....	3.00% - 5.50%	2030	\$ 6,112,845	\$ 3,607,100
Special indebtedness:				
Lease-purchase revenue bonds.....	3.50% - 5.25%	2016	272,045	4,125
Certificates of participation.....	4.00% - 5.00%	2028	888,385	247,615
Limited obligation bonds.....	2.25% - 5.25%	2033	2,316,920	2,132,085
GARVEE bonds.....	2.00% - 5.21%	2021	709,625	395,275
Notes payable.....	0.00% - 3.86%	2030	55,180	39,738
<u>Business-type activities</u>				
Revenue bonds**.....	2.48% - 7.10%	2042	\$ 1,081,183	\$ 1,039,308
GARVEE bonds.....	2.00% - 4.00%	2023	145,535	145,535
Notes payable.....	2.11% - 4.85%	2043	378,156	376,869
Component Units:				
<u>University of North Carolina System</u>				
Revenue bonds**.....	0.04% - 9.05%*	2044	\$ 4,460,655	\$ 3,935,684
Certificates of participation.....	2.00% - 5.25%	2039	241,165	223,020
Notes payable.....	0.00% - 6.75%*	2033	399,868	354,337

* For variable rate debt, interest rates in effect at June 30, 2014 are included. For variable rate debt with interest rate swaps, the synthetic fixed rates are included.

** The issuer has elected to treat a portion of these obligations as federally taxable "Build America Bonds" for purposes of the American Recovery and Reinvestment Act and to receive a cash subsidy from the U.S. Treasury for a specified percentage of the interest payable on these obligations. The outstanding balance of "Build America Bonds" was \$586.6 million for the primary government and \$425.55 million for component units. For these bonds, the interest rate included is the taxable rate, which does not factor in the cash subsidy from the U.S. Treasury.

General obligation bonds are secured by the full faith, credit, and taxing power of the State. The payments on special indebtedness; which include lease-purchase revenue bonds, certificates of participation (COPs), and limited obligation bonds; are subject to appropriation by the General Assembly. Special indebtedness may also be secured by a lien on equipment or facilities, or by lease payments made by the State. Other long-term debts of the State and its component units are payable solely from certain resources of the funds to which they relate.

C. Bonds Authorized but Unissued

The amount of authorized but unissued special indebtedness of the primary government at June 30, 2014 totaled \$502.7 million as follows: university projects \$115.6 million, psychiatric hospitals \$83.3 million, correctional facilities \$2.4 million, guaranteed energy savings contracts \$296.9 million, and State and other projects \$4.5 million. At June 30, 2014, the State had no authorized but unissued general obligation bonds.

In 2005, the N.C. General Assembly enacted General Statute 136-18(12b) providing for the issuance of Grant Anticipation Revenue Vehicle Bonds (GARVEEs), which are payable from revenues consisting primarily of federal transportation funds, with the proceeds to finance federal-aid highway projects. The GARVEEs are limited obligations of the State payable solely from these funding sources. The total amount of GARVEEs that may be issued is subject to limitations contained in the authorizing legislation tied to the historic and future level of federal transportation funds the State has or is expected to receive.

NOTES TO THE FINANCIAL STATEMENTS**D. Demand Bonds**

Included in bonds payable are several variable rate demand bond issues. Demand bonds are securities that contain a “put” feature that allows bondholders to demand payment before the maturity of the debt upon proper notice to the issuer’s remarketing or paying agents.

Component Unit**University of North Carolina System***The University of North Carolina at Chapel Hill*

With regards to the following demand bonds, the issuer has not entered into take out agreements, which would convert the demand bonds not successfully remarketed into another form of long-term debt.

General Revenue, Series 2001B and 2001C

In 2001 the University issued two series of variable rate demand bonds in the amount of \$54.97 million (2001B) and \$54.97 million (2001C) that each has a final maturity date of December 1, 2025. The bonds are subject to mandatory sinking fund redemption on the interest payment date on or immediately preceding each December throughout the term of the bonds. The proceeds of these issuances were used to provide funds to refund in advance of their maturity the following issues: Ambulatory Care Clinic, Series 1990; Athletic Facilities, Series 1998; Carolina Inn, Series 1994; School of Dentistry, Series 1995; Kenan Stadium, Series 1996; Housing System, Series 2000; and Parking System, Series 1997C. While bearing interest at a weekly rate, the bonds are subject to purchase on demand with seven days notice and delivery to the University’s Remarketing Agents; J.P. Morgan Securities, Inc. (2001B) and Banc of America Securities, LLC (2001C). Effective September 23, 2008, J.P. Morgan Securities, Inc. replaced Lehman Brothers, Inc.

The University entered into line of credit agreements in the amount of \$200 million with Wells Fargo Bank, N.A. (“the Bank”) and \$200 million with J.P. Morgan Chase, N.A. (“the Bank”) on September 21, 2011. Under each line of credit agreement, the University is entitled to draw amounts sufficient to pay the principal and accrued interest on Variable Rate Demand Bonds (or Commercial Paper Bonds) delivered for purchase. Under each line of credit agreement, the University may, at any time and for any reason, reduce the commitment by any amount upon 30 days prior written notice to the Bank.

The University is required to pay a quarterly facility fee for each line of credit in the amount of 0.38% per annum based on the size of the commitment. If a long-term debt rating assigned by Standard & Poor’s (S&P), Fitch Ratings (Fitch) or Moody’s Investors Service (Moody’s) is lowered, the facility fee assigned to the rating in the below table shall apply. In the event of a split rating (i.e., one or more of the rating agency’s ratings is at a different level than the rating of either of the other rating agencies), the facility fee rate shall be determined as follows: (i) if two of the three ratings appear in the same level, the facility fee rate shall be based on that level; (ii) if no two ratings appear in the same level, the facility fee rate shall be based on the level which includes the middle of the three ratings.

S&P	Fitch	Moody's	Facility Fee
AA	AA	Aa2	0.48%
AA-	AA-	Aa3	0.58%
A+	A+	A1	0.68%
A	A	A2	0.78%
A- or lower	A- or lower	A3 or lower	1.78%

The University will pay an accrued interest fee equal to the amount of accrued interest, at the time of purchase of the bonds, multiplied by the bank rate multiplied by the ratio of the number of days from the date of purchase of the bonds until the date of payment of the accrued interest to 365 days.

Under each line of credit agreement, draws to purchase bonds will accrue interest at the bank rate payable on the same interest date as provided in the Series Indenture for the original bonds. The University is required to begin making a series of six fully amortizing semiannual principal payments on bonds held by the Bank six months after the date of funding. Commercial Paper Bonds held by the Bank may be rolled over for a period of 180 days and must be reduced by 1/6th of the original amount of the Commercial Paper Bonds for a period of up to five rollovers. All outstanding principal and accrued but unpaid interest is due in full at the maturity of the line of credit.

Each line of credit agreement expires on September 21, 2014 and is subject to covenants customary to this type of transaction, including a default provision in the event that the University’s long-term bond ratings were lowered to below a BBB- for S&P, BBB- for Fitch, and Baa3 for Moody’s. At June 30, 2014, no purchase drawings had been made under the line of credit. On September 19, 2014,

NOTES TO THE FINANCIAL STATEMENTS

the University entered into new line of credit agreements, maintaining an aggregate coverage amount of \$400 million, with \$200 million from Wells Fargo Bank, N.A., \$100 million from Royal Bank of Canada, and \$100 million from U.S. Bank, N.A.

General Revenue, Series 2012D

On December 14, 2012, the University issued a bond to be designated "The University of North Carolina at Chapel Hill General Revenue Bond (Kenan Stadium Improvements Phase II), Series 2012D" (the "2012D Bond") to The Educational Foundation, Inc. (the "Owner") in exchange for certain improvements to Kenan Stadium on the University's campus known as "Kenan Stadium Improvements, Phase 2 - Carolina Student Athlete Center for Excellence". The 2012D Bond was issued in the amount of \$41 million and matures on August 18, 2016 (the "maturity date").

Interest will be payable on the 2012D Bond on the maturity date or, if sooner, the prepayment date of the 2012D Bond as permitted under the tender option or the prepayment options as referenced below. The unpaid principal balance of the 2012D Bond, together with all accrued and unpaid interest thereon will be due and payable in full on the maturity date in the event that the tender option or prepayment option is not exercised in advance of the maturity date.

The University shall be responsible for calculating the interest due on the 2012D Bond and reporting such amount to the Owner and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). Payments of principal and interest on the 2012D Bond shall be made directly by the University to the Owner under the terms of the bond documents and the Trustee shall have no responsibility for making such payments. The University shall promptly notify the Trustee in writing of any such payments. Any payments of principal of and interest on the 2012D Bond made directly by the University to the Owner of the 2012D Bond will be credited against The Board of Governors of the University of North Carolina's (the "Board") obligation to cause payments to be made with respect to the 2012D Bond to the Debt Service Fund under the General Indenture.

The 2012D Bond may be tendered by the Owner of the 2012D Bond for payment by the University, on behalf of the Board, in whole or in part without premium or penalty on any Business Day on or after 90 days prior written notice to the University and the Trustee.

The 2012D Bond may be prepaid by the University, on behalf of the Board, in whole or in part without premium or penalty on any Business Day on or after 90 days prior written notice to the Owner and the Trustee.

When payment is due at maturity or upon exercise of the tender or prepayment options, the University may use proceeds from a long-term bond issue or proceeds from the issuance of Commercial Paper at the time of the payment to fund the obligation under the bond.

The unpaid principal balance of the 2012D Bond outstanding from time to time will bear interest at the Adjusted London Interbank Offered Rate (LIBOR) Rate. "Adjusted LIBOR Rate" means a rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/16 of 1%) by adding (1) the one month LIBOR plus (2) 1% per annum, which shall be adjusted monthly on the first day of each LIBOR interest period; provided, however, for any particular LIBOR interest period, the Adjusted LIBOR Rate will not be less than 1.4% per annum.

With respect to other terms and conditions, this bond is not supported by any other letters of credit or standby liquidity agreements and does not contain any take out agreements.

North Carolina Central University

With regards to the following demand bonds, the issuer has not entered into take out agreements which would convert the demand bonds not successfully remarketed into another form of long-term debt.

Revenue Bonds Series, 2003A

In October of 2003, the North Carolina Capital Facilities Finance Agency issued Student Housing Facilities Revenue Demand Bonds (\$21.48 million Variable Rate Revenue Demand Bonds, Series 2003A) that have a maturity date of October 1, 2034. The issuer, the North Carolina Capital Facilities Finance Agency, loaned the proceeds of the Series 2003 Bonds to the North Carolina Central University Real Estate Foundation, Inc. (Foundation). The Foundation used the proceeds to finance the costs of building a student housing facility at North Carolina Central University, to fund a debt service reserve fund for the 2003A Bonds, to pay a portion of the interest on the bonds during construction of the project, and to pay certain costs of issuance of the bonds. The 2003A Bonds are subject to mandatory sinking fund redemption at the principal amount on the interest payment dates.

The Student Housing Facilities Revenue Demand Bonds (Series 2003A) have an Irrevocable Letter of Credit (LOC) for \$21.82 million. The LOC is to secure the payment of the principal and purchase price of interest on the Series 2003A Bonds. The LOC is with Wells Fargo Bank, N.A. and may be extended by request from the Foundation by delivering a notice of extension to the Trustee with a

NOTES TO THE FINANCIAL STATEMENTS

new expiration date. The LOC was subsequently extended until August 31, 2016. At June 30, 2014, the LOC rate for the bonds was 1.2% and no amounts were drawn on it.

The Foundation paid Wells Fargo Bank, N.A. a commitment fee of \$109 thousand for the LOC on the date the bonds were issued. The Bonds are not under a take-out agreement; however, in the event of termination 100% of the unpaid principal will be due and payable plus any unpaid and accrued interest.

Under the LOC agreement, the proceeds of each drawing under the LOC to pay the portion of the purchase price of Series 2003A bonds allocable to principal will constitute a tender advance and must be reimbursed as provided in the agreement. The Foundation is required to repay each tender advance to Wells Fargo Bank, N.A. plus an interest rate of prime plus 1%. According to the Reimbursement Agreement Amendment dated May 2008, the amount of any tender advance made is repaid based on the earliest to occur of the date the credit provider bonds purchased pursuant to such tender advances are remarketed, the close of business on the date that is 366 days after the tender was made, and/or the termination date.

The Student Housing Facilities Revenue Demand Bonds (Series 2003A) has a remarketing fee. The remarketing fee is an upfront charge to reset the interest rates on a weekly basis. The Remarketing Agent is Wells Fargo Bank, N.A. for the Series 2003A Bonds. At June 30, 2014, the remarketed rate for the bonds was 0.05%.

North Carolina State University

With regard to the following demand bonds, the issuer has entered into take out agreements, which would convert the demand bonds not successfully remarketed into another form of long-term debt.

General Revenue Bonds, Series 2003B

On June 20, 2003 the University issued tax-exempt variable rate revenue demand bonds in the amount of \$45.66 million that have a final maturity date of October 1, 2027. The bonds are subject to mandatory sinking fund redemption that began on October 1, 2004. The University's proceeds of this issuance were used to pay a portion of the costs of certain improvements on the campus of the University, to refund certain debt previously incurred for that purpose, and to pay the costs incurred in connection with the issuance of the 2003B bonds.

While bearing interest at a weekly rate, the bonds are subject to purchase on demand with seven days notice and delivery to the paying agent, The Bank of New York Mellon. Upon notice from the paying agent, the Remarketing Agent, Wells Fargo Bank, N.A., has agreed to exercise its best efforts to remarket the bonds for which a notice of purchase has been received.

Under a Standby Bond Purchase Agreement (Agreement) between the Board of Governors of the University of North Carolina and Bayerische Landesbank, a Liquidity Facility has been established for the Trustee (The Bank of New York Mellon) to draw amounts sufficient to pay the purchase price and accrued interest on bonds delivered for purchase when remarketing proceeds or other funds are not available. This Agreement requires a commitment fee equal to 0.13% of the available commitment, payable quarterly in arrears, beginning on July 1, 2003 and on each October 1, January 1, April 1, and July 1 thereafter until the expiration date or the termination date of the Agreement.

Under the Agreement, any bonds purchased through the Liquidity Facility become Liquidity Provider Bonds and shall, from the date of such purchase and while they are Liquidity Provider Bonds, bear interest at the Liquidity Provider rate (the greater of the bank prime commercial lending rate and federal funds rate plus 0.5%). Upon remarketing of Liquidity Provider Bonds and the receipt of the sales price by the Liquidity Provider, such bonds are no longer considered Liquidity Provider Bonds. Payment of the interest on the Liquidity Provider Bonds is due the first business day of each month in which Liquidity Provider Bonds are outstanding. At June 30, 2014, there were no Liquidity Provider Bonds held by the Liquidity Facility. The original Liquidity Facility expiration date has been extended and is scheduled to expire on November 30, 2015, unless otherwise extended based on the terms of the Agreement.

Upon expiration or termination of the Agreement, the University is required to redeem (purchase) the Liquidity Provider Bonds held by the Liquidity Facility in 12 quarterly installments, beginning the first business day of January, April, July, or October, whichever first occurs on or following the purchase date along with accrued interest at the Liquidity Provider rate. In the event the outstanding \$42.82 million of demand bonds was "put" and not resold, the University would be required to pay \$15 million a year for three years under this agreement assuming a 3.25% interest rate.

General Revenue Bonds, Series 2008A

On July 10, 2008 the University issued tax-exempt variable rate revenue demand bonds in the amount of \$66.61 million that have a final maturity date of October 1, 2028. The bonds are subject to mandatory sinking fund redemption that begins on October 1, 2014. The University's proceeds of this issuance were used to pay a portion of the costs of certain improvements on the campus of the University, to

NOTES TO THE FINANCIAL STATEMENTS

refund certain debt previously incurred for that purpose, and to pay the costs incurred in connection with the issuance of the 2008A bonds.

While bearing interest at a weekly rate, the bonds are subject to purchase on demand with seven days notice and delivery to the paying agent, The Bank of New York Mellon. Upon notice from the paying agent, the Remarketing Agent, Citigroup Global Markets, Inc., has agreed to exercise its best efforts to remarket the bonds for which a notice of purchase has been received.

Under a Standby Bond Purchase Agreement (Agreement) between the Board of Governors of the University of North Carolina and Wells Fargo Bank, N.A., a Liquidity Facility has been established for the Trustee (The Bank of New York Mellon) to draw amounts sufficient to pay the purchase price and accrued interest on bonds delivered for purchase when remarketing proceeds or other funds are not available. This Agreement requires a commitment fee equal to 0.39% of the available commitment, payable quarterly in arrears, beginning on October 1, 2012 and on each October 1, January 1, April 1, and July 1 thereafter until the expiration date or the termination date of the Agreement.

Under the Agreement, any bonds purchased through the Liquidity Facility become Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the base rate (the greater of the bank prime commercial lending rate plus 1%, the federal funds rate plus 2%, or 7%) for 180 days. Beginning on day 181 (the amortization date), the Bank Bonds become Term Bonds and bear interest at the base rate plus 1%. Upon remarketing of Bank Bonds and the receipt of the sales price by the Liquidity Provider, such bonds are no longer considered Bank Bonds. Payment of the interest on the Bank Bonds is due the first business day of each month in which Bank Bonds are outstanding. At June 30, 2014, there were no Bank Bonds held by the Liquidity Facility. The initial Liquidity Facility expiration date is July 6, 2015, unless otherwise extended based on the terms of the Agreement.

After the amortization date, or expiration or termination of the Agreement, the University is required to redeem (purchase) the Bank Bonds held by the Liquidity Facility in six semiannual installments, rounded to the nearest Authorized Denomination, beginning the first business day of the month immediately following the commencement of the Term Bank Bond period. In the event the outstanding \$66.61 million of demand bonds was "put" and not resold, the University would be required to pay \$25 million a year for three years under this agreement assuming an 8% interest rate.

University of North Carolina Hospitals at Chapel Hill

With regard to the following demand bonds, the Hospitals has entered into take out agreements, which would convert the demand bonds not successfully remarketed into another form of long-term debt, with the exception of Series 2009A Revenue Refunding bonds, for which the University of North Carolina Hospitals acts as its own liquidity facility.

Revenue Bonds, Series 2001A and Series 2001B

On January 31, 2001, the Hospitals issued two series of tax-exempt variable rate demand bonds in the amount of \$55 million (2001A) and \$55 million (2001B) that have a final maturity date of February 15, 2031. The bonds are subject to mandatory sinking fund redemption that began on February 15, 2002. A portion of the proceeds was used to reimburse the Hospitals for \$75 million spent allowing the UNC Health Care System to acquire controlling interest in Rex Healthcare, Inc. The remaining proceeds were used for the renovation of space vacated after the opening of the North Carolina Women's Hospital, North Carolina Children's Hospital, and associated support services. While initially bearing interest in a daily mode, the mode on these bonds may change to a weekly rate, a unit pricing rate, a term rate or a fixed rate.

While in daily mode, the bonds are subject to purchase on any business day upon demand by telephonic notice of tender to the Remarketing Agent on the purchase date and delivery to the bond Tender Agent, U.S. Bank, N.A. The Hospitals' Remarketing Agents, Merrill Lynch; Pierce, Fenner & Smith Inc. (Series 2001A); and Banc of America Securities, LLC (Series 2001B) have agreed to exercise their best efforts to remarket bonds for which a notice of purchase has been received. The quarterly remarketing fee is payable in arrears and is equal to 0.05% of the outstanding principal amount of the bonds assigned to each agent.

Under separate Standby Bond Purchase Agreements for the Series 2001A and Series 2001B (Agreements) between the Hospitals and Landesbank Hessen-Thüringen Girozentrale, a Liquidity Facility has been established for the Tender Agent to draw amounts sufficient to pay the purchase price and accrued interest on bonds delivered for purchase when remarketing proceeds or other funds are not available. These Agreements require an adjustable facility fee based on the long-term rating of the bonds, which is calculated as a percentage of the available commitment. Payments are made quarterly in arrears, on the first business day of each July, October, January, and April thereafter until the expiration date or the termination date of the Agreements. For the fiscal year, the percentage was 0.58% with the long-term agreement amended in 2011. This long-term agreement was renegotiated in July 2013 with a decrease in liquidity fee to 0.35% effective October 11, 2013 through December 31, 2015.

NOTES TO THE FINANCIAL STATEMENTS

Under the Agreements, any bonds purchased through the Liquidity Facility become Bank Bonds and shall, from the date of such purchase to and including the 60th day thereafter and while they are Bank Bonds, bear interest at the Formula Rate (base rate equal to the higher of the Prime Rate plus 1% for such day or the sum of 1% plus the Federal Funds Rate) and from and including the 61st day following the purchase date and thereafter bear interest at the higher of the Formula Rate or 7%, subject to a maximum rate as permitted by law; provided however, that at no time shall the base rate be less than the applicable rate of interest on the bonds which are not Bank Bonds. Upon remarketing of Bank Bonds and the receipt of the sales price by the Liquidity Provider, such bonds are no longer considered Bank Bonds. Payment of the interest on the Bank Bonds is due quarterly (the first business day of January, April, July, and October) for each period in which Bank Bonds are outstanding. At June 30, 2014, there were no Bank Bonds held by the Liquidity Facility.

Included in the Agreements is a take out provision, in case the Remarketing Agent is unable to resell any bonds that are "put" within 90 days of the "put" date. In this situation, the Hospitals is required to redeem the Bank Bonds held by the Liquidity Facility. The Agreements allow the Hospitals to redeem Bank Bonds in equal quarterly installments, on the first business day of January, April, July, and October. The payments will commence with the first business day of any such month that is at least 90 days following the applicable purchase date of the Bank Bond and end no later than the fifth anniversary of such purchase date. If the take out agreement were to be exercised because the entire outstanding \$93.6 million of demand bonds was "put" and not resold, the Hospitals would be required to pay \$24.35 million, \$23.47 million, \$22.16 million, \$20.85 million, and \$19.54 million in years one, two, three, four, and five respectively under the installment loan agreement assuming a base rate of 4.25% (Prime Rate plus 1%) for the first 60 days and a maximum rate of 7% thereafter.

The current expiration date of the Agreements is December 31, 2015. The Hospitals may request additional extensions of at least one year from the previous termination date. Extensions are at the discretion of the Liquidity Provider.

Revenue Refunding Bonds, Series 2003A and Series 2003B

On February 13, 2003, the Hospitals issued two series of tax-exempt variable rate demand bonds in the amount of \$63.77 million (2003A) and \$34.25 million (2003B) that have a final maturity date of February 1, 2029. The bonds are subject to mandatory sinking fund redemption that began on February 1, 2004. The proceeds were used to advance refund \$88.33 million of the Series 1996 Bonds. While initially bearing interest in a weekly mode, the mode on these bonds may change to a daily rate, a unit pricing rate, a term rate or a fixed rate.

While in the weekly mode, the bonds are subject to purchase on demand with seven days' notice to the Remarketing Agent and delivery to the bond Tender Agent, U.S. Bank N.A. The Hospitals' Remarketing Agents, Banc of America Securities, LLC (Series 2003A) and Wells Fargo Bank, N.A. (Series 2003B), have agreed to exercise their best efforts to remarket bonds for which a notice of purchase has been received. The quarterly remarketing fee is payable in arrears and is equal to 0.08% of the outstanding principal amount of the bonds assigned to the Remarketing Agent for Series 2003A and is equal to 0.07% of the outstanding principal amount of the bonds assigned to the Remarketing Agent for Series 2003B.

Under separate Standby Bond Purchase Agreements for the Series 2003A and Series 2003B (Agreements) between the Hospitals and Bank of America, N.A. (Series 2003A) and Wells Fargo Bank, N.A. (Series 2003B) Liquidity Facilities have been established for the Tender Agent to draw amounts sufficient to pay the purchase price on bonds delivered for purchase when remarketing proceeds or other funds are not available.

The 2003A Agreement with Bank of America, N.A. required a commitment fee of 0.36% for fiscal year 2014. Payments are made quarterly in arrears, on the first business day of each November, February, May, and August thereafter until July 1, 2014. The long-term agreement was renegotiated in June 2014 with a decrease in liquidity fee to 0.34% effective July 1, 2014 through July 1, 2015. The commitment rate remains in effect over the life of the Agreement so long as the rating assigned to Parity Debt by Moody's and S&P is A1/A+ or higher. If the rating assigned to Parity Debt by either Moody's or S&P is downgraded below A1 or A+, respectively, the commitment rate assigned to such lower rating as set forth below shall apply, effective as of the public announcement of the rating:

<u>S&P</u>	<u>Moody's</u>	<u>Commitment Rate</u>
A	A2	0.56%
A- or lower	A3 or lower	0.76%

However, the commitment rate shall be increased (A) by 150 basis points (1.5%) upon the occurrence and during the continuance of an Event of Default, and (B) by 150 basis points (1.5%) if either Moody's or S&P withdraws or suspends its rating for any reason (other than for the payment in full or defeasance of the Bonds). Any such increase in the commitment rate shall take effect as of the date of any such event described in the preceding sentence. All such increases in the commitment rate contemplated above shall be cumulative.

Under the 2003A Agreement, any bonds purchased through the Liquidity Facility become Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Bank Bond Interest Rate equal to the greater of the Prime Rate plus

NOTES TO THE FINANCIAL STATEMENTS

1.5% or the Federal Funds Rate plus 3%, the base rate, for the first 90 days and then the base rate plus 0.5% from the 91st day to the 367th day following the date of purchase and the base rate plus 1% from the 368th day following such date of purchase and thereafter subject to a maximum rate as permitted by law. Upon remarketing of Bank Bonds and the receipt of the sales price by the Liquidity Provider, such bonds are no longer considered Bank Bonds. Payment of the interest on the Bank Bonds is on the first business day of each calendar month following the date on which such Bank Bond became a Bank Bond. At June 30, 2014, there were no Bank Bonds held by the 2003A Liquidity Facility.

Included in the 2003A Agreement is a take out provision, in case the Remarketing Agent is unable to resell any bonds that are "put" within the earlier of the termination date and 367 days of the "put" date. In this situation, the Hospitals is required to redeem the Bank Bonds held by the Liquidity Facility. The Series 2003A Agreement allows the Hospitals to redeem Bank Bonds in six consecutive, equal semi-annual installments of principal beginning on the first business day of the month that occurs at least five and not more than six months following the termination date, until fully paid. In any event, all principal and accrued and unpaid interest shall be due and payable on the date the sixth installment is due. If the take out agreement were to be exercised because the entire outstanding \$60.03 million of demand bonds was "put" and not resold, the Hospitals would be required to pay \$22.82 million, \$22.02 million, and \$20.87 million in years one, two and three respectively, following the termination date under the installment loan agreement assuming a base rate of 4.75% (Prime plus 1.5%).

The 2003B Agreement with Wells Fargo Bank, N.A. required a commitment fee of 0.35% for fiscal year 2014. Payments are made quarterly in arrears, on the first business day of each February, May, August, and November thereafter until July 31, 2017. The commitment fee remains in effect over the life of the Agreement, however, the commitment rate shall be increased to the per annum percentage described in the table below if (i) the debt rating assigned by Moody's or S&P to the long-term debt of UNC Hospitals, without regard to third-party credit enhancement, falls to the corresponding levels specified in such table, (ii) such rating is withdrawn or suspended or (iii) an Event of Default occurs and is continuing hereunder. After any such increases are made, the commitment rate shall be decreased to the per annum percentage described in the table below if the debt rating assigned by Moody's or S&P to the long-term debt of UNC Hospitals, without regard to third-party credit enhancement, rises to the corresponding levels specified in such table. Any such increases (or decreases, as the case may be) in the commitment rate shall be effective as of the date of such downgrade, upgrade, withdrawal, suspension or Even of Default, as applicable. The commitment rate shall be the fee listed below which corresponds to the lowest debt rating assigned to UNC Hospitals specified in the table below:

<u>S&P</u>	<u>Moody's</u>	<u>Commitment Rate</u>
A	A2	0.5%
A-	A3	0.65%
BBB+	Baa1	0.85%
BBB	Baa2	1.1%
BBB-	Baa3	1.4%
Below Investment Grade	Below Investment Grade	2.4%

Under the 2003B Agreement, any bonds purchased through the Liquidity Facility become Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Bank Bond interest rate equal to the greater of the Prime Rate plus 1%; the Federal Funds Rate plus 2% or 7%, subject to a maximum rate as permitted by law. Upon remarketing of Bank Bonds and the receipt of the sales price by the Liquidity Provider, such bonds are no longer considered Bank Bonds. At June 30, 2014, there were no Bank Bonds held by the 2003B Liquidity Facility.

Included in the 2003B Agreement is a take out provision, in case the Remarketing Agent is unable to resell any bonds that are "put" by the termination date. In this situation, the Hospitals is required to redeem the Bank Bonds held by the Liquidity Facility. The Series 2003B Agreement allows the Hospitals to redeem Bank Bonds in 11 equal quarterly installments of principal, on the first business day of each February, May, August, and November beginning on the first of such dates that occurs at least 90 days after the purchase date of such Bank Bonds. The Hospitals shall pay interest of the base rate plus 2% in arrears on each date that would be an Interest Payment Date for the Series 2003B Bonds, beginning on the first Interest Payment Date that occurs after the Loan Date. If the take out agreement were to be exercised because the entire outstanding \$32.27 million of demand bonds was "put" and not resold, the Hospitals would be required to pay \$10.83 million, \$13.61 million, and \$12.48 million in years one, two and three respectively following the purchase date of the Bank Bonds assuming a base rate of 7%.

Revenue Refunding Bonds, Series 2009A

On February 12, 2009, the Hospitals issued series 2009A tax-exempt variable rate demand bonds in the amount of \$44.29 million that have a final maturity date of February 1, 2024. The bonds are subject to mandatory sinking fund redemption that began on February 1, 2010. The proceeds were used to advance refund \$43.51 million of the Series 1999 Bonds. While initially bearing interest in a weekly mode, the mode on these bonds may change to a daily rate, a unit pricing rate, a term rate or a fixed rate.

NOTES TO THE FINANCIAL STATEMENTS

While in the weekly mode, the bonds are subject to purchase on demand upon delivering irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent not later than 4:00 p.m. on a business day not less than seven days before the purchase date and upon delivering such Series 2009A bonds to the bond Tender Agent, U.S. Bank, N.A., no later than noon on such purchase date. The Hospitals' Remarketing Agent, Banc of America Securities, LLC has agreed to exercise their best efforts to remarket bonds for which a notice of purchase has been received. The quarterly remarketing fee is payable in arrears and is equal to 0.09% of the weighted average daily principal amount of Series 2009A bonds outstanding during such periods in which the Series 2009A bonds are variable rate bonds.

Under a separate liquidity agreement with the Trustee, the Hospitals has established itself as Liquidity Facility for the Tender Agent to draw amounts sufficient to pay the purchase price on bonds delivered for purchase when remarketing proceeds or other funds are not available. Upon receipt of any notice from the Remarketing Agent that there is a projected funding amount on the business day prior to each purchase date or mandatory purchase date, and upon receipt of written demand for payment from the Tender Agent by noon on each purchase date or mandatory purchase date, the Hospitals shall wire to the Tender Agent, in immediately available funds, an amount equal to the actual funding amount, which shall be equal to the purchase price of all Series 2009A bonds tendered or deemed tendered, less the aggregate amount of remarketing proceeds received by the Remarketing Agent, by not later than 2:00 p.m. on the purchase date or mandatory purchase date. The Hospitals is its own liquidity provider for the Series 2009A bonds. As a result, there is no established arm's-length agreement with an unrelated third party to convert the bonds "put" but not resold into a form of long-term obligation. Therefore, the Series 2009A bonds are classified as current liabilities.

NOTES TO THE FINANCIAL STATEMENTS**E. Debt Service Requirements**

The following schedules show the debt service requirements for the primary government (governmental activities and business-type activities) and component unit (University of North Carolina System). The debt service requirements of variable rate debt and net swap payments are based on rates as of June 30, 2014 and assume that current interest rates remain the same for their term. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Annual debt service requirements to maturity for general obligation bonds, special indebtedness, GARVEE bonds, revenue bonds, and notes payable are as follows (dollars in thousands).

Primary Government

Fiscal Year Ending June 30	Governmental Activities					
	General Obligation Bonds		Certificates of Participation		Lease-Purchase Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 369,240	\$ 170,997	\$ 42,390	\$ 11,789	\$ 2,125	\$ 151
2016	370,570	151,574	37,350	9,679	2,000	51
2017	368,335	132,635	27,415	7,812	—	—
2018	379,425	116,190	22,935	6,441	—	—
2019	381,970	98,146	23,485	5,294	—	—
2020-2024	1,348,680	263,646	37,070	15,360	—	—
2025-2029	364,495	42,107	56,970	7,438	—	—
2030-2034	24,385	1,219	—	—	—	—
Total	<u>\$ 3,607,100</u>	<u>\$ 976,514</u>	<u>\$ 247,615</u>	<u>\$ 63,813</u>	<u>\$ 4,125</u>	<u>\$ 202</u>

Fiscal Year Ending June 30	Governmental Activities					
	Limited Obligation Bonds		GARVEE Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 79,660	\$ 100,474	\$ 62,040	\$ 18,510	\$ 5,643	\$ 1,851
2016	88,400	96,351	64,780	15,771	6,897	871
2017	103,845	91,854	67,605	12,944	4,323	737
2018	112,295	86,703	70,805	9,747	4,555	596
2019	116,465	81,152	70,445	6,306	1,848	446
2020-2024	788,665	301,828	59,600	4,493	8,747	1,551
2025-2029	617,270	129,807	—	—	7,654	399
2030-2034	225,485	17,929	—	—	71	—
Total	<u>\$ 2,132,085</u>	<u>\$ 906,098</u>	<u>\$ 395,275</u>	<u>\$ 67,771</u>	<u>\$ 39,738</u>	<u>\$ 6,451</u>

Fiscal Year Ending June 30	Business-type Activities					
	Revenue Bonds		GARVEE Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 19,720	\$ 56,138	\$ —	\$ 5,773	\$ 217	\$ 8,005
2016	8,200	55,555	—	5,773	222	17,196
2017	11,960	55,178	—	5,773	195	18,417
2018	16,070	54,621	—	5,773	179	18,385
2019	19,595	53,835	3,755	5,821	1,809	18,361
2020-2024	148,865	251,466	141,780	16,969	1,078	91,613
2025-2029	227,755	203,751	—	—	19,903	93,694
2030-2034	268,276	188,122	—	—	57,627	90,589
2035-2039	266,387	173,013	—	—	114,448	80,497
2040-2044	52,480	4,182	—	—	181,191	44,567
Total	<u>\$ 1,039,308</u>	<u>\$ 1,095,861</u>	<u>\$ 145,535</u>	<u>\$ 45,882</u>	<u>\$ 376,869</u>	<u>\$ 481,324</u>

NOTES TO THE FINANCIAL STATEMENTS**Component Unit**

Fiscal Year Ending June 30	University of North Carolina System						
	Revenue Bonds			Certificates of Participation		Notes Payable	
	Principal	Interest	Interest Rate Swaps, Net	Principal	Interest	Principal	Interest
2015	\$ 118,529	\$ 153,032	\$ 17,739	\$ 4,145	\$ 10,497	\$ 22,612	\$ 10,706
2016	136,217	150,862	17,113	4,695	10,328	24,080	11,557
2017	198,932	146,241	15,510	5,035	10,136	34,337	10,198
2018	175,713	141,764	13,108	5,545	9,937	39,031	9,344
2019	178,057	137,151	10,485	6,340	9,703	21,336	8,471
2020-2024	726,498	614,419	27,710	39,450	43,735	151,547	26,435
2025-2029	736,264	482,488	6,331	50,775	33,404	55,507	6,443
2030-2034	854,709	316,076	219	62,115	19,978	5,887	250
2035-2039	621,505	109,030	—	44,920	5,311	—	—
2040-2044	189,260	20,347	—	—	—	—	—
Total	<u>\$ 3,935,684</u>	<u>\$ 2,271,410</u>	<u>\$ 108,215</u>	<u>\$ 223,020</u>	<u>\$ 153,029</u>	<u>\$ 354,337</u>	<u>\$ 83,404</u>

For revenue bonds of the University of North Carolina System, the fiscal year 2015 principal requirements exclude demand bonds classified as current liabilities (see Note 8D).

NOTES TO THE FINANCIAL STATEMENTS**F. Bond Defeasances**

The State and its component units have defeased certain bonds through current and/or advance refundings. New debt proceeds from current refundings may be used to repay the old debt immediately while new debt proceeds from advance refundings are placed into an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. Since these bonds are considered to be defeased, the liabilities for these bonds have been removed from the government-wide statement of net position.

Primary Government

On April 30, 2014, the State of North Carolina issued approximately \$307 million of tax-exempt General Obligation Refunding Bonds, Series 2014A. The bonds carry an all-in true interest cost of 1.84% and have an average life of 6.14 years. The bonds are dated April 30, 2014 and will bear interest from that date. Interest on the bonds will be payable semiannually on June 1 and December 1 commencing December 1, 2014. The bonds will mature from June 2015 through June 2025 and were issued at a coupon rate of 5%. The bonds are not subject to redemption prior to maturity. The State issued the refunding bonds for the purpose of achieving debt service savings through the refunding of certain maturities of the State's general obligation bonds as follows: Clean Water, Series 1999; Public Improvement, Series 2001A, Series 2003A, 2003B, 2004A, 2005A and 2007A; Highway, Series 2004; Higher Education, Series 2006A; and to pay certain costs incurred in connection with the execution and delivery of the bonds. The bonds refunded totaled \$334.23 million with an average interest rate of 4.54%. The net proceeds were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability was removed from the statement of net position. The Series 2014A refunding reduced total debt service payments by approximately \$26.8 million and resulted in an economic gain of approximately \$25.6 million. At June 30, 2014, the outstanding balance was \$259.3 million for the defeased bonds.

On May 21, 2014, the State of North Carolina issued approximately \$199.6 million of tax-exempt Limited Obligation Refunding Bonds, Series 2014B. The bonds carry an all-in true interest cost of 2.45% and have an average life of 9.35 years. The bonds are dated May 21, 2014 and will bear interest from that date. Interest on the bonds will be payable semiannually on June 1 and December 1 commencing December 1, 2014. The bonds will mature from June 1, 2017 through June 1, 2026 and were issued at a coupon rate of 5%. The bonds are not subject to redemption prior to maturity. The State issued the refunding bonds for the purpose of achieving debt service savings through the refunding of certain maturities of the North Carolina Infrastructure Finance Corporation's debt obligations as follows: Correctional Facilities Lease-Purchase Revenue Bonds, Series 2004; Correctional Facilities Certificates of Participation, Series 2004A; Capital Improvement Certificates of Participation, Series 2005A, Series 2006A, and 2007A; Repairs and Renovations Certificates of Participation, Series 2006A; and to pay certain costs incurred in connection with the execution and delivery of the bonds. The bonds refunded totaled \$218.05 million with an average interest rate of 4.94%. The net proceeds were used to purchase U.S. government securities. These securities will be deposited in an irrevocable trust to provide for all future debt service on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability was removed from the statement of net position. The Series 2014B refunding reduced total debt service payments by approximately \$26.5 million and resulted in an economic gain of approximately \$23.2 million. At June 30, 2014, the outstanding balance was \$210.1 million for the defeased bonds.

Component Unit**University of North Carolina System***Appalachian State University*

On May 6, 2014, the University issued \$12.97 million in Appalachian State University Taxable General Revenue Refunding Bonds, Series 2014B with an average interest rate of 3.43%. The bonds were issued to advance refund \$12.46 million of outstanding Appalachian State University General Revenue and Refunding Revenue Bonds, Series 2005 with an average interest rate of 4.95%. The net proceeds of the refunding bonds were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This advance refunding was undertaken to reduce total debt service payments by \$1.09 million over the next 12 years and resulted in an economic gain of \$911 thousand. At June 30, 2014, the outstanding balance was \$12.46 million for the defeased Appalachian State University General Revenue and Refunding Revenue Bonds, Series 2005.

Prior Year Defeasances

During prior years, the State and certain component units defeased certain general obligation and other bonds. For those defeasances involving advance refundings, the proceeds and any securities purchased with the proceeds were placed in an irrevocable trust with an escrow agent in an amount sufficient to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government-wide statement of net position. At June 30, 2014, the outstanding balance of prior year defeased bonds was \$624.22 million for the primary government and \$74.92 million for the University of North Carolina System (component unit).

NOTES TO THE FINANCIAL STATEMENTS**G. Federal Unemployment Account Advances**

During fiscal year 2014, the State received repayable advances from the Federal Unemployment Account (FUA) in the amount of \$486.72 million. Proceeds from the advances were used to pay state unemployment benefits. The total amount collected from unemployment tax contributions and additional federal unemployment taxes used to pay down the principal on the repayable advances was \$1.66 billion. At year-end, the outstanding balance of the FUA advances was \$980.99 million. Interest is due and payable on September 30 for each year that the loan has an outstanding balance. Currently, the repayable advances are payable from the unemployment tax contributions and additional federal unemployment taxes imposed on the State's employers for calendar year 2013. Both will be used specifically for paying down the debt until it is settled. Meanwhile, the State unemployment benefits will continue to be paid from the repayable advances.

H. Pollution Remediation Payable**Primary Government****Governmental Activities**

The N.C. Department of Transportation (DOT) has several equipment yards across the state with old underground fuel storage tanks. State law requires leaks from tanks to be assessed for remediation. The Department of Environment and Natural Resources assigns a health risk based score to each incident. Incidents with a site score over a set criteria are identified as high priority sites and are required to be remediated. At year-end, DOT had 32 high priority sites. For sites under the set criteria, cleanup is optional. Currently, DOT is not working on low priority sites.

The N.C. Department of Cultural Resources is responsible for cleaning up hazardous substances at the Tryon Palace Barbour Boatworks Site (Boatworks Site). The N.C. Department of Cultural Resources has agreed upon a remedial action plan with the Hazardous Sites Branch of DENR to voluntarily clean up the Boatworks Site.

At year-end, the State recognized a pollution remediation liability of \$7 million, of which \$6.2 million was for leaking underground fuel tanks at DOT and \$800 thousand was for the polluted site at the N.C. Department of Cultural Resources. The liability was measured using the expected cash flow technique. The liability could change over time due to changes in cost of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort.

Component Unit*University of North Carolina System*

Fayetteville State University recognized a pollution remediation liability of \$85 thousand for underground storage tank removal at a campus building. The amount of the liability was calculated from the estimated costs of the removal.

NOTES TO THE FINANCIAL STATEMENTS**NOTE 9: LEASE OBLIGATIONS—OPERATING AND CAPITAL**

The State and its component units have entered into various operating and capital leases for office space and for communications, computer, and other equipment. Any operating leases with scheduled rent increases are considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when incurred. For the year ended June 30, 2014, total operating lease expenditures were \$76.97 million for Primary Government, \$84.18 million for the University of North Carolina System, and \$8.22 million for Community Colleges. Capital leases of nongovernmental component units of the University of North Carolina System are excluded from the amounts below. Future minimum lease commitments for noncancelable operating leases and capital leases as of June 30, 2014 are as follows (dollars in thousands):

Fiscal Year	Operating Leases				Capital Leases			
	Primary Government		Component Units		Primary Government		Component Units	
	Governmental Activities	Business-type Activities	University of		Governmental Activities	University of		
			North Carolina System	Community Colleges		North Carolina System	Community Colleges	
2015	\$ 46,287	\$ 2,017	\$ 54,993	\$ 6,160	\$ 2,148	\$ 10,111	\$ 3,092	
2016	38,256	1,970	43,109	4,915	2,133	8,868	2,884	
2017	29,081	425	36,737	4,188	1,963	5,849	2,858	
2018	19,344	273	31,043	3,854	1,924	5,646	2,834	
2019	13,817	167	28,130	3,300	1,916	3,866	2,809	
2020 - 2024	18,599	197	96,705	12,458	9,608	7,045	13,422	
2025 - 2029	11,228	—	49,708	7,417	1,900	1,174	11,771	
2030 - 2034	8,082	—	9,653	801	—	2,347	2,017	
2035 - 2039	8,082	—	2,024	81	—	4,508	—	
2040 - 2044	8,082	—	202	—	—	—	—	
2045 - 2049	8,082	—	82	—	—	—	—	
2050 - Beyond	4,849	—	4	—	—	—	—	
Total Future Minimum								
Lease Payments.....	\$ 213,789	\$ 5,049	\$ 352,390	\$ 43,174	21,592	49,414	41,687	
Less: Amounts Representing Interest					(3,723)	(3,020)	(15,214)	
Present Value of Future Minimum Lease Payments					\$ 17,869	\$ 46,394	\$ 26,473	

At June 30, 2014, capital assets acquired under capital leases are as follows (dollars in thousands):

	Primary	Component Units	
	Government	University of	
	Governmental Activities	North Carolina System	Community Colleges
Buildings.....	\$ 25,401	\$ 12,406	\$ 30,829
Machinery and Equipment.....	1,478	50,542	310
Other.....	—	1,792	—
Total Capital Assets.....	\$ 26,879	\$ 64,740	\$ 31,139

Depreciation for capital assets acquired under capital leases is included as part of depreciation expense (see Note 5).

NOTES TO THE FINANCIAL STATEMENTS**NOTE 10: INTERFUND BALANCES AND TRANSFERS****A. Interfund Balances****Due To/From Fiduciary Funds**

The General Fund balance of \$83.49 million due to fiduciary funds is composed of \$26.17 million related to local sales taxes collected in the General Fund and due to the agency fund, as well as \$57.32 million related to retirement contributions payable to retirement systems at year end.

The Highway Fund balance of \$7 million and the NC Turnpike Authority balance of \$4.68 million due to fiduciary funds is related to fines and penalties collected by the Highway Fund and the NC Turnpike Authority and due to the agency fund.

Amounts payable to or receivable from fiduciary funds are considered interfund balances in the fund financial statements, but are not reported as internal balances in the government-wide statement of net position.

Due To/From Other Funds

Balances due to/from other funds at June 30, 2014, consisted of the following (dollars in thousands):

	Due From Other Funds					Total
	General Fund	Highway Trust Fund	Other Governmental Funds	Unemployment Compensation Fund	Internal Service Funds	
Due To Other Funds						
General Fund.....	\$ —	\$ —	\$ 5,984	\$ 14,977	\$ 16,990	\$ 37,951
Highway Fund.....	—	—	1,058	—	3,629	4,687
Other Governmental Funds.....	62	—	21	—	567	650
Unemployment Compensation Fund.....	729	—	—	—	—	729
EPA Revolving Loan Fund.....	—	—	—	—	28	28
NC State Lottery Fund.....	4,565	—	—	—	63	4,628
NC Turnpike Authority.....	—	62	—	—	2	64
Other Enterprise Funds.....	—	—	—	—	83	83
Internal Service Funds.....	—	—	—	—	732	732
Total.....	<u>\$ 5,356</u>	<u>\$ 62</u>	<u>\$ 7,063</u>	<u>\$ 14,977</u>	<u>\$ 22,094</u>	<u>\$ 49,552</u>

These balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Amounts reported in the funds as interfund receivables and payables were eliminated in the governmental and business-type activities columns of the government-wide statement of net position, except for the net residual amounts due between governmental and business-type activities, which were presented as internal balances.

Advances To/From Other Funds

The advance of \$24.5 million to the North Carolina Turnpike Authority from the Highway Trust Fund is related to startup operating costs.

NOTES TO THE FINANCIAL STATEMENTS**B. Interfund Transfers**

Transfers in/out of other funds for the fiscal year ended June 30, 2014 consisted of the following (dollars in thousands):

	Transfers In								Total
	General Fund	Highway Fund	Other Governmental Funds	Unemployment Compensation Fund	EPA Revolving Loan Fund	NC Turnpike Authority	Other Enterprise Funds	Internal Service Funds	
Transfers Out									
General Fund.....	\$ —	\$ —	\$ 258,713	\$ 10,000	\$ 7,002	\$ —	\$ 7,168	\$ 2,055	\$ 284,938
Highway Fund.....	266,054	—	1,051	—	—	—	—	—	267,105
Highway Trust Fund.....	346	32,501	—	—	—	61,201	—	—	94,048
Other Governmental Funds.....	133,348	6,799	11,937	—	7,484	—	—	23	159,591
Unemployment Compensation Fund.....	1,878	—	—	—	—	—	—	—	1,878
EPA Revolving Loan Fund.....	707	—	—	—	—	—	—	—	707
NC State Lottery Fund.....	503,135	—	1,000	—	—	—	—	—	504,135
NC Turnpike Authority	—	14,646	—	—	—	—	—	—	14,646
Other Enterprise Funds.....	813	—	486	—	—	—	—	—	1,299
Internal Service Funds.....	57	—	—	—	—	—	—	4,800	4,857
Total.....	\$ 906,338	\$ 53,946	\$ 273,187	\$ 10,000	\$ 14,486	\$ 61,201	\$ 7,168	\$ 6,878	\$ 1,333,204

Transfers are primarily used to (1) transfer revenues and bond proceeds from the fund required by State statute or budget to collect the revenue to the fund required by State statute or budget to expend them, (2) provide unrestricted revenues collected in the General Fund to finance operating and capital programs accounted for in other funds in accordance with budgetary authorizations, and (3) reflect reversions of State funds from other funds to the General Fund in accordance with Office of State Budget and Management or legislative requirements.

House Bill 817 [Session Law 2013-183], amends the law that created the Highway Trust Fund. The amendment directs that funds are to be transferred to the N.C. Turnpike Authority (NCTA) to pay debt service or related financing expenses on revenue bonds or notes issued for the following toll road construction projects: Triangle Expressway and Monroe Connector/Bypass. Debt has been issued for the Triangle Expressway and the Monroe Connector/Bypass, and \$49 million was transferred to the NCTA during fiscal year 2014.

In compliance with the North Carolina State Lottery Act, House Bill 1023 [Session Law 2005-344], all “Net Revenues” of the N.C. State Lottery Fund are required to be transferred to the Education Lottery Fund (General Fund) for educational purposes. The total transfer for this fiscal year was \$503.14 million, as set forth in General Statute 18C-164.

NOTES TO THE FINANCIAL STATEMENTS**NOTE 11: FUND BALANCE**

Fund Balance. The details of the fund balance classifications for governmental funds at June 30, 2014 are as follows (dollars in thousands):

Fund Balance	Governmental Funds				
	General Fund	Highway Fund	Highway Trust Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories.....	\$ 73,958	\$ 88,036	\$ —	\$ 26,481	\$ 188,475
Permanent corpus.....	—	—	—	102,011	102,011
Restricted for:					
General government.....	4,956	—	—	110,232	115,188
Primary and secondary education.....	1,711	—	—	—	1,711
Higher education.....	3,796	—	—	3	3,799
Higher education student aid.....	—	—	—	500,351	500,351
Health and human services.....	20,987	—	—	1,362	22,349
Economic development.....	19,503	—	—	—	19,503
Environment and natural resources.....	18,106	—	—	25,181	43,287
Public safety, corrections, and regulation.....	14,826	—	—	39,201	54,027
Transportation.....	—	4,638	—	—	4,638
Capital projects/ repairs and renovations.....	—	—	—	87,480	87,480
Committed to:					
General government.....	207,672	—	—	43,555	251,227
Primary and secondary education.....	223,014	—	—	—	223,014
Public school capital projects/ repairs and renovations....	120,611	—	—	—	120,611
Higher education.....	77,709	—	—	—	77,709
Health and human services.....	46,864	—	—	14,265	61,129
Economic development.....	71,792	—	—	56,134	127,926
Environment and natural resources.....	98,309	—	—	177,336	275,645
Public safety, corrections, and regulation.....	29,592	—	—	126,476	156,068
Transportation.....	—	38,711	—	568	39,279
Highway construction/ preservation.....	—	36,456	878,122	—	914,578
Highway maintenance.....	—	47,031	—	—	47,031
Agriculture.....	5,035	—	—	20,764	25,799
Disaster relief.....	14,993	—	—	—	14,993
Capital projects/ repairs and renovations.....	11,585	—	—	274,372	285,957
Assigned to:					
Subsequent year's budget.....	267,370	—	—	—	267,370
General government.....	10,152	—	—	—	10,152
Higher education.....	818	—	—	—	818
Economic development.....	280	—	—	—	280
Environment and natural resources.....	1,317	—	—	—	1,317
Public safety, corrections, and regulation.....	3,343	—	—	—	3,343
Unassigned.....	195,237	—	—	—	195,237
Total fund balance.....	\$ 1,543,536	\$ 214,872	\$ 878,122	\$ 1,605,772	\$ 4,242,302

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: RETIREMENT PLANS

The State reports nine retirement plans as pension trust funds, seven defined benefit public employee retirement plans administered by the State, as well as two defined contribution plans, one of which is administered by the State and the other is administered by a third party under the auspices of the State. Although the assets of the administered plans are commingled for investment purposes, each plan’s assets may be used only for payment of benefits to the members of that plan and for administrative costs in accordance with the terms of each plan. The plans in this note do not issue separate financial statements, nor are they reported as part of other entities. The financial statements and other required disclosures are presented in Note 16 and in the *Required Supplementary Information (RSI)* section of this CAFR. The State also provides a defined benefit special separation allowance for eligible sworn law enforcement officers and a defined contribution optional retirement plan for certain university employees.

A. Summary of Significant Accounting Policies and Plan Asset Matters

BASIS OF ACCOUNTING

The financial statements of these plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

METHODS USED TO VALUE INVESTMENTS

Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the retirement systems. The State Treasurer maintains various investment portfolios in its Investment Pool. The pension trust funds are the primary participants in the Long-term Investment portfolio and the sole participants in the External Fixed Income Investment, Equity Investment, Real Estate Investment, Alternative Investment, Credit Investment, and Inflation Protection Investment portfolios.

The investment balance of each pension trust fund represents its share of the fair market value of the net position of the various portfolios within the pool. Detailed descriptions of the methods and significant assumptions used to estimate the fair value of investments when fair value is based on other than quoted market prices are provided in Note 3. Additionally, the securities lending balance represents assets occurring from securities lending transactions that result from the systems’ participation in the pool. The investments of the State Treasurer and securities lending are fully discussed in Note 3.

B. Plan Descriptions

Cost-Sharing, Multiple-Employer, Defined Benefit Plans

1. TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEM

Plan administration. The State of North Carolina administers the Teachers’ and State Employees’ Retirement System (TSERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit plan established by the State to provide pension benefits for general employees and law enforcement officers (LEOs) of the State, general employees and LEOs of its component units, and employees of Local Education Agencies (LEAs) and charter schools not in the reporting entity. Membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the LEAs and charter schools. Benefit provisions are established by General Statute 135-5 and may be amended only by the North Carolina General Assembly. At June 30, 2014, the number of participating employers was as follows:

State of North Carolina.....	1
LEAs	116
Charter Schools.....	64
Community Colleges.....	58
University of North Carolina System..	19
N.C. Housing Finance Agency.....	1
Total.....	<u>259</u>

NOTES TO THE FINANCIAL STATEMENTS

Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members.

Benefits provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member’s average final compensation times the member’s years of creditable service. A member’s average final compensation is calculated as the average of a member’s four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). Survivor benefits are available to eligible beneficiaries of general members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor’s Alternate Benefit for life or a return of the member’s contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of creditable service as an LEO and have reached age 50, or have completed five years of creditable service as an LEO and have reached age 55, or have completed 15 years of creditable service as an LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor’s Alternate Benefit for life or a return of the member’s contributions.

Contributions. Benefits and administrative expenses are funded by member contributions of 6% of compensation, investment income, and by an actuarially determined employer contribution established by legislation. For the fiscal year ended June 30, 2014, the State and other participating employers made statutory contributions of 8.69% of covered payroll. This was equal to the actuarially determined contribution. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Actual contributions are reported in Section F of this note.

Refunds of contributions. Members who have terminated service as a contributing member, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual’s right to the employer contributions or any other benefit provided by TSERS.

2. LOCAL GOVERNMENTAL EMPLOYEES’ RETIREMENT SYSTEM

Plan administration. The State of North Carolina administers the Local Governmental Employees’ Retirement System (LGERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit plan established by the State to provide benefits for employees of local governments. Membership is comprised of general employees and local law enforcement officers of participating local governmental entities. Benefit provisions are established by General Statute 128-27 and may be amended only by the North Carolina General Assembly. At June 30, 2014, the number of participating local governments was as follows:

Cities.....	426
Counties.....	100
Special Districts.....	<u>360</u>
Total.....	<u><u>886</u></u>

Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members.

Benefits provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member’s average final compensation times the member’s years of creditable service. A member’s average final compensation is calculated as the average of a member’s four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members

NOTES TO THE FINANCIAL STATEMENTS

who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of creditable service as an LEO and have reached age 50, or have completed five years of creditable service as an LEO and have reached age 55, or have completed 15 years of creditable service as an LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Benefits and administrative expenses are funded by member contributions of 6% of compensation, investment income and by an actuarially determined employer contribution set annually by the LGERS Board of Trustees. For the fiscal year ended June 30, 2014, all employers made contributions of 7.55% of covered payroll for law enforcement officers and 7.07% for general employees and firefighters. This was equal to the actuarially determined contribution. In addition, employers with an unfunded liability, established when the government initially enters the system, must make additional contributions towards that liability. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The State's responsibility is administrative only.

Refunds of contributions. Members who have terminated service as a contributing member, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

3. FIREFIGHTERS' AND RESCUE SQUAD WORKERS' PENSION FUND

Plan administration. The Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) is a cost sharing, defined benefit pension plan with a special funding situation in that the State of North Carolina is not the employer but is legally obligated to contribute to the plan. The State established the plan to provide pension benefits for all eligible firefighters and rescue squad workers. Membership is comprised of both volunteer and locally employed firefighters and emergency medical personnel who elect membership. Benefit provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. At June 30, 2014, there were 1,811 participating fire and rescue units.

Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members.

Benefits provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated paid duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Benefits and administrative expenses are funded by a \$10 monthly contribution by the member, investment income and an actuarially based state appropriation (see Section F for the amount). Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly.

Refunds of contributions. Members who are no longer eligible or choose not to participate in the fund may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

NOTES TO THE FINANCIAL STATEMENTS**4. REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND**

Plan administration. The State of North Carolina administers the Registers of Deeds' Supplemental Pension Fund (RODSPF) which is a cost-sharing, multiple-employer, defined benefit plan established by the State of North Carolina to provide supplemental pension benefits for all eligible, retired county registers of deeds. Membership is comprised of registers of deeds who are retired from the Local Governmental Employees' Retirement System or an equivalent locally sponsored plan and have met the statutory eligibility requirements. At June 30, 2014, there were 93 individuals receiving benefits in the plan with 100 counties participating. Benefit provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. The State's only cost in the plan is administration.

Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members.

Benefits provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and in the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly.

Single-Employer Defined Benefit Plans**5. CONSOLIDATED JUDICIAL RETIREMENT SYSTEM**

Plan administration. The State of North Carolina administers the Consolidated Judicial Retirement System (CJRS). This plan is a single-employer, defined benefit plan established by the State of North Carolina to provide pension benefits for employees of the State Judicial System. Membership is comprised of judges, district attorneys, public defenders and clerks of court. Benefit provisions are established by General Statute 135-58 and may be amended only by the North Carolina General Assembly.

Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members.

Benefits provided. The plan provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's final compensation times the member's years of creditable service. The percentage used is determined by the position held by the member. A member's final compensation is the annual equivalent of the rate of compensation most recently applicable to the retiree as a member of the Retirement System. Plan members are eligible to retire with full retirement benefits at age 65 with five years of membership service (10 years of service for members joining CJRS on or after August 1, 2011), or at age 50 with 24 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with five years of membership service (10 years of service for members joining CJRS on or after August 1, 2011). The reduced benefit is calculated using the same formula as a service retirement benefit, multiplied by a reduction percentage based on the member's age and/or service at early retirement. Survivor benefits are available to spouses of members who die while in active service after reaching age 50 with five years of service. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Benefits and administrative expenses are funded by member contributions of 6% of compensation, investment income, and by employer contributions. For the fiscal year ended June 30, 2014, the State made a statutory contribution of 28.01% of covered payroll. This was equal to the actuarially determined contribution. Contribution provisions are established by General Statutes 135-68 and 135-69 and may be amended only by the North Carolina General Assembly. Actual contributions are reported in Section F of this note.

NOTES TO THE FINANCIAL STATEMENTS

Refund of contributions. Members who have terminated service as a contributing member may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by CJRS.

6. LEGISLATIVE RETIREMENT SYSTEM

Plan administration. The State of North Carolina administers the Legislative Retirement System (LRS). This plan is a single-employer, defined benefit plan established by the State of North Carolina to provide retirement and disability benefits for members of the General Assembly. The benefit will not be payable while the retiree is employed in a position making him eligible to participate in either the Teachers' and State Employees' Retirement System or Consolidated Judicial Retirement System. Benefit provisions are established by General Statute 120-4.21 and may be amended only by the North Carolina General Assembly.

Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members.

Benefits provided. LRS provides retirement, disability and survivor benefits. Retirement benefits are determined as 4.02% of the highest annual compensation as a member of the General Assembly times years of creditable service. A member's highest annual compensation is the 12 consecutive months of salary authorized during the member's final legislative term for the highest position ever held as a member of the General Assembly. Plan members are eligible to retire with full retirement benefits at age 65 after five years of service. Plan members are eligible to retire with partial retirement benefits at age 60 after five years of service or at age 50 with 20 years of service. Survivor benefits are available to eligible beneficiaries of contributing members of the General Assembly who die while in active service. The beneficiary will receive a return of the member's contributions with interest. If the member dies while in active service after 12 years of creditable service or after reaching age 60 with five years of service, the surviving beneficiary may choose to receive a lifetime monthly benefit instead of a return of contributions with interest.

Contributions. Benefits and administrative expenses are funded by member contributions of 7% of compensation, investment income, and by actuarially determined employer contributions. For the fiscal year ended June 30, 2014, there was no actuarially determined required contribution. Actuarially determined contribution provisions are established by General Statutes 120-4.19 and 120-4.20 and may be amended only by the North Carolina General Assembly.

Refunds of contributions. Members who have terminated service as a contributing member may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LRS.

7. NORTH CAROLINA NATIONAL GUARD PENSION FUND

Plan administration. The North Carolina National Guard Pension Fund (NGPF) is a single-employer, defined benefit plan established by the State of North Carolina to provide pension benefits for members of the North Carolina National Guard (NCNG). Membership is comprised of members and former members of the NCNG who have served and qualified for at least 20 years of creditable military service, have at least 15 years of aforementioned service as a member of the NCNG, and have received an honorable discharge from the NCNG. This is a special funding situation because the State is not the employer, but is legally obligated to contribute to the plan. Benefit provisions are established by General Statute 127A-40 and may be amended only by the North Carolina General Assembly.

Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members.

Benefits provided. NGPF provides a pension of \$95 per month for 20 years of creditable military service with an additional \$9.50 per month for each additional year of such service; provided, however that the total pension shall not exceed \$190 per month.

Contributions. Benefits and administrative expenses are funded by investment income and an actuarially determined state appropriation (see Section F for the amount). Contribution provisions are established by General Statute 127A-40 and may be amended only by the North Carolina General Assembly.

NOTES TO THE FINANCIAL STATEMENTS***Defined Contribution Plans*****8. SHERIFFS' SUPPLEMENTAL PENSION FUND**

This plan is a defined contribution plan established by the State of North Carolina to provide supplemental pension benefits for all eligible, retired county sheriffs. Membership is comprised of sheriffs who are retired from the Local Governmental Employees' Retirement System and beneficiaries that meet the statutory eligibility requirements. At June 30, 2014, there were 92 sheriffs and one beneficiary enrolled in the plan with 75 of the State's 100 counties participating.

An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on minimum years of service as a sheriff with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed. The North Carolina Department of Justice administers the plan. If the plan purchases any investments, they are held as part of the State Treasurer's Investment Pool. The State's only cost in the plan is administration.

Receipts collected by each county's Clerk of Superior Court under General Statutes 7A-304(a)(3a), along with investment income, support the plan's benefits and administrative expenses. Sheriffs do not contribute to the plan. For the fiscal year ended June 30, 2014, the Clerks remitted \$899 thousand. All benefit and contribution provisions are established by Chapter 143, Article 12H of the General Statutes and may be amended only by the North Carolina General Assembly.

9. IRC SECTION 401 (K) PLAN

IRC Section 401(k) Plan - Effective January 1, 1985, Chapter 135, Article 5 of the General Statutes authorized the creation of the Supplemental Retirement Income Plan of North Carolina (the 401(k) Plan) in accordance with Internal Revenue Code (IRC) Section 401(k). Effective July 1, 2008, the Board of Trustees of the North Carolina Public Employee Deferred Compensation Plan was consolidated with the Supplemental Retirement Income Plan's Board to form the North Carolina Supplemental Retirement Board of Trustees (the Board). At that time, the Board began administering these independent plans. Subject to the employer's election to participate in the Plan, all members of the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, Legislative Retirement System, Local Governmental Employees' Retirement System and University Optional Retirement Program and retirement and pension plans sponsored by political subdivisions of the State that qualify under Section 401(a) of the IRC are eligible to enroll in the 401(k) Plan and may contribute up to 80% (limited to an Internal Revenue maximum dollar amount) of their compensation during the plan fiscal year. Members of the 401(k) Plan may receive their benefits upon retirement, disability, termination, hardship, or death. All contributions and costs of administering the 401(k) Plan are the responsibility of the participants. At December 31, 2013, there were approximately 243,000 employees enrolled with 993 participating employers.

The 401(k) Plan is a defined contribution pension plan with direct administration delegated to a third party contractor. Financial statements are based on the Plan's fiscal year. The audited statements for the year ended December 31, 2013, are presented in this financial report as a pension and other employee benefit trust fund. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The 401(k) Plan's financial statements are prepared using the accrual basis of accounting. Notes receivable represent loans to participants and are reported at outstanding principal balances. Prudential Retirement Services (a subsidiary of Prudential) provides third party administration of the 401(k) Plan. The 401(k) Plan's financial statements are available by contacting the N.C. Department of State Treasurer, 325 North Salisbury Street, Raleigh, NC 27603-1385.

In addition to the voluntary contribution criteria above, General Statute 143-166.30 requires state contributions to the 401(k) Plan to provide benefits for all law enforcement officers employed by the State and its component units. General Statute 143-166.50 requires local governmental units with law enforcement officers to also contribute at least as much as the State. Participation begins at the date of employment. State agencies and component units are required to contribute monthly to the individual accounts of participants an amount equal to 5% of each officer's monthly salary. The State is also required to contribute to the individual accounts of all officers on a per capita basis in equal shares. State law enforcement officers receive \$.50 for each court cost assessed and collected under General Statute 7A-304, while \$1.25 of this assessment goes to local law enforcement officers. General Statutes allow law enforcement officers to voluntarily contribute up to 10% of their compensation within any calendar year, but current Internal Revenue Code provisions define the actual voluntary contribution a law enforcement officer can make. All contributions are immediately vested in the name of each participant. At December 31, 2013, 52 state agencies and component units along with 457 local governmental units outside our reporting entity contributed the required 5%. In addition, five state agencies and 443 local government employers contributed to the 401(k) Plan on a voluntary basis. There were approximately 13,800 LEOs actively participating in the 401(k) Plan and approximately 24,000 LEOs receiving employer contributions as of December 31, 2013.

The 401(k) Plan also reported total member contributions of \$305.336 million. The payrolls for law enforcement officers, on which the required contributions were based for the year ended December 31, 2013, amounted to \$160.099 million for the State, \$23.740 million for universities, and \$4.091 million for community colleges and other miscellaneous component units. The required 5% employer's

NOTES TO THE FINANCIAL STATEMENTS

contribution was made by the State for \$8.005 million, by universities for \$1.187 million, and by the remaining component units and community colleges for \$205 thousand. In addition, the State contributed \$389 thousand for required court cost assessments.

The 401(k) Plan (Supplemental Retirement Plan) discloses a related party transaction in Note 20 of this CAFR. Through an agreement with the Supplemental Plan, as directed by the Board, Prudential Retirement Services provides investment management services along with the third party administration referred to above. The Supplemental Retirement Plan's investment risks are described in Note 3.

C. Plan Membership

The following table summarizes membership information by plan at the actuarial valuation date:

	Cost-Sharing, Multiple-Employer				Single-Employer		North Carolina National Guard
	Teachers' and State Employees'	Local Govern- mental	Firefighters' and Rescue Squad	Registers of Deeds'	Consolidated Judicial	Legislative	
Inactive plan members or beneficiaries currently receiving benefits	187,448	57,405	12,445	95	584	311	4,354
Inactive plan members entitled to but not yet receiving benefits	125,513	50,998	156	2	53	94	5,117
Active plan members	318,009	123,455	42,464	100	566	170	5,535
	<u>630,970</u>	<u>231,858</u>	<u>55,065</u>	<u>197</u>	<u>1,203</u>	<u>575</u>	<u>15,006</u>
Valuation date	12-31-13	12-31-13	12-31-13	12-31-13	12-31-13	12-31-13	12-31-13

D. Investments

Investment policy. The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the State Treasurer. Plan assets are managed by the Investment Management Division of the North Carolina Department of the State Treasurer (IMD) under the direction of the State Treasurer. It is the policy of the State Treasurer to invest plan assets with a focus on protection through diversification, achievement of stable and consistent returns that meet or exceed benchmarks and actuarial assumptions over a long-term projection, with a primary objective of ensuring that all liability payments and obligations are met. The target asset allocation is developed based upon analysis of optimized portfolios, utilizing risk and return characteristics of eligible asset classes, and selecting the most efficient portfolio for a given level of risk.

The adopted asset allocation policy for the Registers of Deeds' Supplemental Pension Fund is 100% in the fixed income asset class as of June 30, 2014. For all plans other than the Registers of Deeds' Supplemental Pension Fund, the following table displays the adopted asset allocation policy as of June 30, 2014:

Asset Class	Target Allocation
Fixed Income	36.0%
Global Equity	40.5%
Real Estate	8.0%
Alternatives	6.5%
Credit	4.5%
Inflation Protection	4.5%
Total	<u>100%</u>

In July 2013, the General Assembly passed Senate Bill 558. Under this bill, the IMD was granted greater authority and flexibility with respect to investments by increasing the percentage limitations on various individual investment asset classes as well as in the aggregate. During the fiscal year ended June 30, 2014, the IMD continued to diversify the pension fund investments and conducted an asset liability study to develop a new asset allocation policy that would utilize some of the additional investment flexibility. A new asset allocation policy was finalized during the fiscal year to be effective July 1, 2014. The new asset allocation

NOTES TO THE FINANCIAL STATEMENTS

policy utilizes different asset classes, changes in the structure of certain asset classes and adopts new benchmarks. Using the asset class categories in the preceding table, the new target allocations effective July 1, 2014 are Fixed Income 29.0%, Global Equity 42.0%, Real Estate 8.0%, Alternatives 8.0%, Credit 7.0% and Inflation Protection 6.0%.

Rate of return. For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was:

Retirement System	Money-weighted Rate of Return
Teachers' and State Employees'	15.88%
Local Governmental Employees'	15.86%
Firefighters' and Rescue Squad Workers'	15.62%
Registers of Deeds'	6.04%
Consolidated Judicial	15.87%
Legislative	15.91%
North Carolina National Guard	15.63%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Liability of Participating Employers

The components of the net pension liability of the participating employers at June 30, 2014, were as follows (dollars in thousands):

	Cost-Sharing, Multiple-Employer				Single-Employer		
	Teachers' and State Employees'	Local Governmental	Firefighters' and Rescue Squad	Registers of Deeds'	Consolidated Judicial	Legislative	North Carolina National Guard
Total pension liability	\$ 66,788,196	\$ 22,375,668	\$ 416,823	\$ 24,143	\$ 565,761	\$ 24,418	\$ 140,206
Plan fiduciary net position	(65,615,775)	(22,927,586)	(389,405)	(46,809)	(539,564)	(30,051)	(110,030)
Net pension liability (asset)	<u>\$ 1,172,421</u>	<u>\$ (551,918)</u>	<u>\$ 27,418</u>	<u>\$ (22,666)</u>	<u>\$ 26,197</u>	<u>\$ (5,633)</u>	<u>\$ 30,176</u>
Plan fiduciary net position as a percentage of the total pension liability	98.24%	102.47%	93.42%	193.88%	95.37%	123.07%	78.48%

NOTES TO THE FINANCIAL STATEMENTS

Actuarial assumptions. The total pension liability was determined by actuarial valuations as of December 31, 2013, using the following actuarial assumptions, applied to all prior periods included in the measurement. The total pension liability was then rolled forward to June 30, 2014 utilizing update procedures incorporating the actuarial assumptions.

The following table presents the actuarial assumptions used to determine the total pension liability for each plan at the actuarial valuation date:

	Cost-Sharing, Multiple-Employer				Single-Employer		
	Teachers' and State Employees' (Note 1)	Local Governmental (Note 1)	Firefighters' and Rescue Squad	Registers of Deeds' (Note 1)	Consolidated Judicial (Note 1)	Legislative	North Carolina National Guard
Valuation date	12/31/13	12/31/13	12/31/13	12/31/13	12/31/13	12/31/13	12/31/13
Inflation	3%	3%	3.5%	3%	3%	3%	3%
Salary Increases	4.25%-9.10%	4.25%-8.55%	N/A	4.25%-7.75%	5.00%-5.95%	7.50%	N/A
Investment Rate of Return (Note 2)	7.25%	7.25%	7.25%	5.75%	7.25%	7.25%	7.25%

Note 1 - Salary increases include 3.5% inflation and productivity factor

Note 2 - Investment rate of return is net of pension plan investment expense, including inflation

The retirement plans currently use mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuations were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 (see the discussion of the pension plan's investment policy in Section D) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	2.5%
Global Equity	6.1%
Real Estate	5.7%
Alternatives	10.5%
Credit	6.8%
Inflation Protection	3.7%

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

NOTES TO THE FINANCIAL STATEMENTS

As discussed in Section D, a new asset allocation policy was finalized during the fiscal year to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25% except for Registers of Deeds' Supplemental Pension Fund which was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the plans calculated using the discount rate of 7.25% (5.75% for RODSPF), as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%; RODSPF 4.75%) or 1-percentage-point higher (8.25%; RODSPF 6.75%) than the current rate (dollars in thousands):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<u>Cost-Sharing, Multiple-Employer</u>			
Teachers' and State Employees' net pension liability (asset)	\$ 8,416,451	\$ 1,172,421	\$ (4,944,107)
Local Governmental Employees' net pension liability (asset)	\$ 2,040,727	\$ (551,918)	\$ (2,735,133)
Firefighters' and Rescue Squad's net pension liability (asset)	\$ 76,699	\$ 27,418	\$ (13,861)
<u>Single-Employer</u>			
Consolidated Judicial's net pension liability (asset)	\$ 80,338	\$ 26,197	\$ (20,692)
Legislative's net pension liability (asset)	\$ (3,859)	\$ (5,633)	\$ (7,190)
North Carolina National Guard's net pension liability	\$ 46,567	\$ 30,176	\$ 16,578
	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
<u>Cost-Sharing, Multiple-Employer</u>			
Register of Deeds' net pension liability (asset)	\$ (20,353)	\$ (22,666)	\$ (24,654)

NOTES TO THE FINANCIAL STATEMENTS**F. GASB Statement 27 Employer Reporting****1. ACTUARIAL METHODS AND ASSUMPTIONS**

The latest actuarial valuations are dated December 31, 2013. The actuarial accrued liability and the schedule of funding progress for the past three years are presented by system in the *Required Supplementary Information* section of this report. Actuarial valuations involve estimates of reported amounts and assumptions about the probability of the occurrence of events. The actuarial value of assets for all systems is based on a five-year smoothed market value. Under this method, realized and unrealized gains and losses on investments are smoothed over five years. Below are listed the various actuarial methods and significant assumptions for these valuations that will be used to determine future annual required contributions.

<i>Retirement System</i>	<i>Valuation Date</i>	<i>Actuarial Cost Method</i>	<i>Amortization Method</i>	<i>Remaining Amortization Period</i>	<i>Period Open/Closed</i>	<i>Asset Valuation Method</i>	<i>Actuarial Assumptions</i>	
							<i>Investment Rate of Return</i>	<i>Projected Salary Increase</i>
Teachers' and State Employees'	12/31/13	Entry Age	Level Dollar	12 years	Closed	5 year smoothed with 80%/120% corridor	7.25%	4.25%-9.10%
Local Governmental Employees'	12/31/13	Frozen Entry Age	Level Percent	10 years	Closed	5 year smoothed with 80%/120% corridor	7.25%	4.25%-8.55%
Firefighters' and Rescue Squad	12/31/13	Entry Age	Level Dollar	12 years	Closed	5 year smoothed with 80%/120% corridor	7.25%	N/A
Registers of Deeds'	12/31/13	Entry Age	Level Dollar	N/A	Closed	5 year smoothed with 80%/120% corridor	5.75%	4.25%-7.75%
Consolidated Judicial	12/31/13	Projected Unit Credit	Level Dollar	12 years	Closed	5 year smoothed with 80%/120% corridor	7.25%	5.00%-5.95%
Legislative	12/31/13	Projected Unit Credit	Level Dollar	8 years	Open	5 year smoothed	7.25%	7.50%
North Carolina National Guard	12/31/13	Entry Age	Level Dollar	12 years	Closed	5 year smoothed with 80%/120% corridor	7.25%	N/A

N/A-Not applicable

As of this valuation, the unfunded actuarial accrued liability for the Registers of Deeds' system, when amortized over 30 years is less than zero. This situation, which is not allowable under generally accepted accounting principles, is redefined by the actuary to effectively mean there is no liability to be amortized.

Within the actuarial assumptions, the projected investment returns for all systems, except the Firefighters' and Rescue Squad Workers' and Legislative, include a 3.0% inflation factor and the projected salaries for the Teachers' and State Employees', Local Governmental Employees', Consolidated Judicial and Register of Deeds' includes a 3.5% inflation and productivity factor. The assumption for the Legislative system does not identify an inflationary factor. The assumption for the Firefighters' and Rescue Squad Workers' includes a 3.5% inflationary factor. The funding status of each of the State's various plans on the date of the most recent actuarial valuation is presented in part three of this section.

CURRENT FISCAL YEAR ASSUMPTIONS

Unless otherwise noted in this footnote or in the required supplementary schedules, the actuarial values, methods and significant assumptions for the current year's required contributions are the same as those presented in the table shown above. The annual required contributions (ARC) for the fiscal year ended June 30, 2014, were developed from various prior valuations. The Teachers' and State Employees', Local Governmental Employees', Register of Deeds', Consolidated Judicial, Legislative, and National Guard systems' valuations were as of December 31, 2011, and the Firefighters' and Rescue Squad Workers' system was valued at June 30, 2012.

NOTES TO THE FINANCIAL STATEMENTS**2. ANNUAL PENSION COST AND NET PENSION OBLIGATION**

The annual pension costs and net pension obligations for the State's single-employer and special funding defined benefit plans for the current fiscal year are as follows (dollars in thousands):

	Firefighters' and Rescue Squad Workers' Pension Fund	Consolidated Judicial Retirement System	Legislative Retirement System	North Carolina National Guard Pension Fund
Annual required contribution.....	\$ 14,620	\$ 19,477	\$ —	\$ 5,349
Interest on net pension obligation.....	62	27	(8)	(342)
Adjustment to annual required contribution.....	(112)	(51)	18	645
Annual pension cost.....	14,570	19,453	10	5,652
Less: Contributions made.....	(14,627)	(19,477)	—	(7,007)
Increase (decrease) in net pension obligation.....	(57)	(24)	10	(1,355)
Net pension (asset) obligation beginning of year...	852	375	(113)	(4,718)
Net pension (asset) obligation end of year.....	<u>\$ 795</u>	<u>\$ 351</u>	<u>\$ (103)</u>	<u>\$ (6,073)</u>

NOTES TO THE FINANCIAL STATEMENTS

The following table presents the required three year trend of pension costs for the State's single-employer and special funding defined benefit plans and the annual required contributions (ARC) the State made to the Teachers' and State Employees' Retirement System (TSERS), a cost-sharing, multiple-employer plan. The State's statutory annual contribution to the System equals its total annual payment to the System and equals the State's pension cost in these financial statements. The State does not make any contributions to the Local Governmental Employees' System; therefore, it has no related pension cost.

**State of North Carolina's Annual Pension Cost (APC)
and Annual Required Contributions (ARC) as an Employer**
For the Years Ended June 30, 2012 through June 30, 2014 (dollars in thousands)

	<i>Teachers' and State Employees'</i>	<i>Firefighters' and Rescue Squad</i>	<i>Consolidated Judicial</i>	<i>Legislative</i>	<i>North Carolina National Guard</i>
Primary Government:					
2014	\$ 284,461	\$ 14,570	\$ 19,453	\$ 10	\$ 5,652
2013	276,182	13,934	18,476	10	5,898
2012	242,963	14,239	17,177	13	6,259
Component units:					
Universities:					
2014	\$ 181,611				
2013	173,726				
2012	152,850				
Community Colleges:					
2014	\$ 74,159				
2013	70,660				
2012	60,670				
Proprietary Funds:					
2014	\$ 668				
2013	624				
2012	1,041				
Total Primary Government and Component Units:					
2014	\$ 540,899	\$ 14,570	\$ 19,453	\$ 10	\$ 5,652
2013	521,192	13,934	18,476	10	5,898
2012	457,524	14,239	17,177	13	6,259
Percentage of APC Contributed:					
2014		100%	100%	0%	124%
2013		111%	100%	0%	119%
2012		101%	100%	0%	112%
Percentage of ARC Contributed:					
2014	100%				
2013	104%				
2012	100%				
Net Pension (Asset) Obligation:					
2014		\$ 795	\$ 351	\$ (103)	\$ (6,073)
2013		852	375	(113)	(4,718)
2012		2,365	401	(123)	(3,609)

NOTES TO THE FINANCIAL STATEMENTS**3. FUNDING STATUS AND FUNDING PROGRESS**

The funding status of each of the State's various plans at the most recent actuarial valuation is presented below. These schedules were developed from actuarial methods and assumptions identified in part one of this section. Multiyear trend information on funding progress is presented in the *Required Supplementary Information (RSI)* section of this CAFR. These schedules indicate whether the actuarial values of plan assets are increasing or decreasing over time in relation to the actuarial accrued liabilities (dollars in thousands).

<i>Retirement System</i>	<i>Valuation Date</i>	<i>Actuarial Value of Assets (a)</i>	<i>Actuarial Liability (AAL) (b)</i>	<i>Unfunded AAL (UAAL) (b) - (a)</i>	<i>Funded Ratio (a) / (b)</i>	<i>Annual Covered Payroll (c)</i>	<i>UAAL as a Percentage of Covered Payroll ((b-a)/c)</i>
Teachers' and State Employees'	12-31-13	\$ 62,363,807	\$ 65,805,555	\$ 3,441,748	94.8%	\$ 12,834,121	26.8%
Local Governmental Employees'	12-31-13	\$ 21,498,147	\$ 21,537,813	\$ 39,666	99.8%	\$ 5,241,858	0.8%
Firefighters' and Rescue Squad Workers'	12-31-13	\$ 364,836	\$ 413,054	\$ 48,218	88.3%	N/A	N/A
Registers of Deeds'	12-31-13	\$ 46,406	\$ 24,064	\$ (22,342)	192.8%	\$ 5,960	(374.8)%
Consolidated Judicial	12-31-13	\$ 506,788	\$ 549,345	\$ 42,557	92.3%	\$ 68,457	62.2%
Legislative	12-31-13	\$ 29,318	\$ 24,557	\$ (4,761)	119.4%	\$ 3,579	(133.0)%
North Carolina National Guard	12-31-13	\$ 103,300	\$ 140,022	\$ 36,722	73.8%	N/A	N/A

N/A-Not applicable

G. Special Separation and Allowance

The State provides a special separation allowance (SSA), a single-employer, defined benefit pension plan, for sworn law enforcement officers as defined by General Statutes 135-1(11b) or General Statutes 143-166.30(a)(4) that were employed by State agencies and major component units and retired on a basic service retirement under the provisions of General Statutes 135-5(a). To qualify for the allowance, each retired officer must: (1) have completed 30 or more years of creditable service or have attained 55 years of age and completed five or more years of creditable service; and (2) not have attained 62 years of age; and (3) have completed at least five years of continuous service as a law enforcement officer immediately preceding a service retirement. Each eligible officer is paid an annual separation allowance equal to .85% of the officer's most recent base rate of compensation for each year of creditable service. For the fiscal year ended June 30, 2014, the State and its major component units paid \$16.2 million for 973 retired law enforcement officers. These benefits are funded on a pay-as-you-go basis with each employer (the State or component unit) responsible for the benefits to their former employees. There is no statewide administration of the SSA and there is no actuarial valuation performed. Funds for this allowance are appropriated annually in the budget of each affected state agency or paid from the component unit's operations. These benefits are established in General Statute 143-166.41 and may be amended only by the General Assembly.

H. Optional Retirement Program

The Optional Retirement Program (ORP) is a defined contribution retirement plan that provides retirement benefits with options for payments to beneficiaries in the event of the participant's death. Faculty and administrators with faculty rank in institutions of the University of North Carolina (UNC) System may join the ORP instead of the Teachers' and State Employees' Retirement System. At June 30, 2014, the plan had 16,584 participants with 19 constituent institutions of the UNC System participating.

Benefits are provided by means of contracts issued and administered by the privately-operated Teachers' Insurance and Annuity Association and the College Retirement Equities Fund (TIAA/CREF), Valic, Fidelity Investments and Lincoln National Life Insurance Company. Participants' eligibility and contributory requirements are established in General Statutes 135-5.1 and may be amended only by the North Carolina General Assembly. Participants contribute 6% of compensation and the university contributes 6.84%. There is no liability other than the universities' required contributions. The universities contributed \$103.8 million for the fiscal year ended June 30, 2014. Annual covered payroll was \$1.5 billion and employer contributions expressed as a percentage of annual payroll were 6.84% for the period. Employee contributions expressed as a percentage of annual covered payroll were the required 6% with actual employee contributions of \$91.1 million for the fiscal year ended June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: DEFERRED COMPENSATION PLANS

1. IRC SECTION 457 PLAN

IRC Section 457 Plan – General Statute 143B-426.24 authorized the creation of the Board of Trustees of the North Carolina Public Employee Deferred Compensation Plan which was established as an agency of the State to offer the State's permanent employees, university employees, and the employees of certain other component units, a uniform Deferred Compensation Plan (the 457 Plan) in accordance with Internal Revenue Code (IRC) Section 457. At December 31, 2013, there were approximately 48,400 plan members with 301 employers participating.

Effective July 1, 2008, the Board of Trustees of the North Carolina Public Employee Deferred Compensation Plan was consolidated with the Supplemental Retirement Income Plan's Board to form the North Carolina Supplemental Retirement Board of Trustees (the Board). At that time, the Board began administering these independent plans. The 457 Plan permits each participating employee to defer a portion of his or her salary until future years by having the funds invested in various instruments that make up the North Carolina Public Employee Deferred Compensation Trust Fund. This fund is held in trust by the 457 Plan for the exclusive benefit of participating employees and their beneficiaries. The deferred compensation is available to employees upon separation from service, death, disability, retirement or financial hardships if approved by the Board. The Board has delegated the general administration of the Plan to a third party but has retained all statutory authority and fiduciary responsibility for major decisions of the 457 Plan. The audited statements for the year ended December 31, 2013 are presented in this financial report as a pension and other employee benefit trust fund. All costs of administering and funding the 457 Plan are the responsibility of the plan participants. Prudential Retirement Services (a subsidiary of Prudential) provides third party administration of the 457 Plan. The 457 Plan's financial statements are available by contacting the N.C. Department of State Treasurer, 325 North Salisbury Street, Raleigh, NC 27603-1385.

The 457 Plan discloses a related party transaction in Note 20 of this CAFR. Through an agreement with the Supplemental Plan, as directed by the Board, Prudential Retirement Services provides investment management services along with the third party administration referred to above. The 457 Plan's investment risks are described in Note 3.

2. IRC SECTION 403(B) PLAN

IRC Section 403(b) Plans - Employees of the University of North Carolina System and community colleges can participate in tax-sheltered annuity contracts and custodial accounts created under Internal Revenue Code (IRC) Section 403(b). Generally all employees are eligible, but the IRC does allow the establishment of a minimum contribution of \$200 and the exclusion from participation of certain classes of employees. Each institution may exclude one or more of these classes if every employee within the institution meeting the class criteria is excluded from participation. The employees' eligible contributions, made through salary reduction agreements, are exempt from federal and state income taxes until the accumulated balances are received or the contributions are withdrawn. Effective January 1, 1989, contributions may be withdrawn by employees only upon separation from service, death, disability, reaching age 59 1/2 or age 55 with qualifying retirement, or due to certain financial hardships. Currently, there is no restriction on the withdrawal of the value of annuity contracts. Custodial accounts established as of December 31, 1988 can be withdrawn only in respect to hardship established as of December 31, 1988. These plans are exclusively for employees of public educational organizations and certain charitable and other non-profit institutions as defined by the IRC. Since all contributions are made voluntarily by employees, all costs are borne by the plans' participants. No direct costs are incurred by the State.

Effective July 1, 2011, the Department of State Treasurer was granted authority by General Statute 115C-341.2 to create a State sponsored 403(b) Plan entitled the North Carolina Public School Teachers' and Professional Educators' Investment Plan. The State sponsored 403(b) Plan is available to all local school Boards of Education across the State. Each individual Board of Education will have the discretion to adopt the state sponsored 403(b) Plan.

NOTES TO THE FINANCIAL STATEMENTS**NOTE 14: OTHER POSTEMPLOYMENT BENEFITS**

The State administers two postemployment benefit plans, the Retiree Health Benefit Fund and the Disability Income Plan, as pension and other employee benefit trust funds. Although the assets of the administered plans are commingled for investment purposes, each plan's assets may be used only for payment of benefits to members of that plan and for administrative costs in accordance with the terms of the plan. The plans in this note do not issue separate financial statements. The financial statements and other required disclosures are presented in Note 16 and in the *Required Supplementary Information* section of this Comprehensive Annual Financial Report (CAFR).

A. Summary of Significant Accounting Policies and Plan Asset Matters*BASIS OF ACCOUNTING*

The financial statements of these plans are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

INVESTMENTS /SECURITIES LENDING

Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the other postemployment benefits funds. The State Treasurer maintains various investment portfolios in its Investment Pool. Detailed descriptions of the methods and significant assumptions used to estimate the fair value of investments when fair value is based on other than quoted market prices are provided in Note 3. The investment balance of the Disability Income Plan and the Retiree Health Benefit Fund are invested in the State Treasurer external investment pool.

Additionally, the securities lending balance represents assets occurring from securities lending transactions that result from the funds' participation in the pool. The investments of the State Treasurer and securities lending are fully discussed in Note 3.

B. Plan Descriptions and Contribution Information*1. HEALTH BENEFITS*

Pursuant to North Carolina General Statutes, the State makes available the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan), a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of employees and former employees of the State, the University of North Carolina System, community colleges, and certain other component units. In addition, Local Education Agencies (LEAs), charter schools, and some select local governments that are not part of the financial reporting entity also participate. At June 30, 2014, the number of participating employers was as follows:

State of North Carolina.....	1
LEAs.....	116
Charter Schools.....	64
Community Colleges.....	58
University of North Carolina System.....	19
N.C. Housing Finance Agency.....	1
Local governments.....	<u>16</u>
Total.....	<u>275</u>

The Plan is reported as a major component unit. It is administered by the State Treasurer, the Board of Trustees, and the Executive Administrator. Health benefit programs and premium rates are determined by the State Treasurer upon approval of the Board of Trustees. Plan benefits received by retired employees and disabled employees are other postemployment benefits (OPEB). The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees as described in Note 15. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of four fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options or the Traditional 70/30 Preferred Provider Organization (PPO) plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, self-funded State Health Plan coverage is secondary to Medicare.

NOTES TO THE FINANCIAL STATEMENTS

Those former employees who are eligible to receive medical benefits are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the Teachers' and State Employees' Retirement System (TSERS), the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium.

The Plan's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases.

By General Statute, a Retiree Health Benefit Fund (the Fund) has been established as a fund in which accumulated contributions from employers and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, the Fund is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System and contributions to the Fund are irrevocable. Also by law, Fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to the Fund. However, Fund assets may be used for reasonable expenses to administer the Fund, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to the Fund, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill.

For the current fiscal year, the State and the other employers contributed the legislatively mandated 5.4% of active employee salaries. The Fund is reported as an employee benefit trust fund. The State's total payments are shown in the table on page 150. Actuarially required contributions and the percentage received from all employers can be found in the *Required Supplementary Information* section of this report.

2. *DISABILITY INCOME*

As discussed in Note 15, short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of the Teachers' and State Employees' Retirement System which includes employees of the State, the University of North Carolina system, community colleges, certain participating proprietary component units and Local Education Agencies (LEAs) which are not part of the reporting entity, and the University Employees' Optional Retirement Program. Long-term disability benefits are payable as an other postemployment benefit from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System (TSERS) or the University Employees' Optional Retirement Program, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from the TSERS; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the TSERS after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies

NOTES TO THE FINANCIAL STATEMENTS

for an unreduced service retirement allowance from the TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under the Teachers' and State Employees' Retirement System or the University Employees' Optional Retirement Program.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Although the DIPNC operates on a calendar year, disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the state fiscal year. For the fiscal year ended June 30, 2014, the State and the other employers made a statutory contribution of 0.44% of covered payroll. This was equal to the actuarially required contribution. The State's total payments are shown in the table on page 150. Actuarially required contributions and the percentage received from all employers can be found in the *Required Supplementary Information* of this CAFR.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. By statute, the DIPNC is administered by the Department of State Treasurer and the Board of Trustees of the Teachers' and State Employees' Retirement System. The plan does not provide for automatic post-retirement benefit increases.

NOTES TO THE FINANCIAL STATEMENTS

The following table presents the three year trend of the contractually required contributions for the Retiree Health Benefit Plan and the annual required contributions (ARC) for the Disability Income Plan for the State and its component units made to the plans. For the Retiree Health Benefit Plan, the contractually required contribution is determined by the General Assembly and does not reflect the actuary-based ARC. For the Disability Income Plan, the ARC equals the State's OPEB cost as an employer.

State of North Carolina's Required Contributions as an Employer
For the Years Ended June 30, 2012 through June 30, 2014
(dollars in thousands)

	Retiree Health Benefit	Disability Income
Primary Government:		
2014	\$ 176,765	\$ 14,403
2013	175,722	14,588
2012	163,282	16,981
Component units:		
Universities:		
2014	\$ 197,870	\$ 16,123
2013	189,556	15,737
2012	172,664	17,957
Community Colleges:		
2014	\$ 46,083	\$ 3,755
2013	44,958	3,732
2012	40,773	4,240
Proprietary Funds:		
2014	\$ 415	\$ 34
2013	397	33
2012	700	73
Total Primary Government and Component Units:		
2014	\$ 421,133	\$ 34,315
2013	410,633	34,090
2012	377,419	39,251
Percentage Contributed:		
2014	100%	100%
2013	100%	100%
2012	100%	100%

The following table summarizes membership information by plan at the actuarial valuation date:

	<u>Retiree Health Benefit</u>	<u>Disability Income</u>
Retirees and beneficiaries currently receiving benefits	197,195	NA
Disabled members receiving long term disability benefits	NA	7,012
Terminated employees entitled to benefits but not yet receiving them	31,610	-
Active plan members	343,049	325,642
Total	<u>571,854</u>	<u>332,654</u>
Date of valuation	12/31/13	12/31/13

NOTES TO THE FINANCIAL STATEMENTS

The funding status of each plan as of the most recent actuarial valuation date is presented below (dollars in thousands):

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c) (3)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Retiree Health (1)	12/31/13	\$ 890,756	\$ 26,420,168	\$ 25,529,412	3.4%	\$ 15,080,627	169.3%
Disability Income (2)	12/31/13	\$ 442,422	\$ 522,940	\$ 80,518	84.6%	\$ 14,294,017	0.6%

(1) The AAL has been prepared using the projected unit credit cost method.

(2) The AAL has been prepared using the entry age actuarial cost method. The information presented is intended to approximate the funding progress of the plan as required by GASB Statements 43 and 45.

(3) Buck Consulting reported the unadjusted covered payroll for the DIPNC long-term disability benefits.

The Segal Company reported the adjusted, annualized payroll for postemployment health benefits.

Multiyear trend information on funding progress is presented in the *Required Supplementary Information (RSI)* section of this CAFR. These schedules indicate whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Actuarial Methods and Assumptions

Actuarial valuations of the plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The latest actuarial valuation for Retiree Health is dated December 31, 2013. The latest actuarial valuation for DIPNC is dated December 31, 2013. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The actuarial assumptions used for the Retiree Health Benefit are consistent with those used to value the pension benefits of the TSERS where appropriate. These assumptions are based on the most recent pension valuations available. The discount rate used for Retiree Health reflects a pay-as-you-go approach.

Projections of benefits for financial reporting purposes of the plans are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Historically, the benefits funded solely by employer contributions applied equally to all retirees. Currently, as described earlier in the note, benefits are dependent on membership requirements.

The actuarial methods and assumptions used for DIPNC include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTES TO THE FINANCIAL STATEMENTS

Below are listed the actuarial methods and significant assumptions for these valuations that will be used to determine future annual required contributions.

	<u>Retiree Health Benefit</u>	<u>Disability Income</u>
Valuation Date	12/31/13	12/31/13
Actuarial Cost Method	Projected Unit Credit	Aggregate
Amortization Method	Level percent of pay	Level percent
Remaining Amortization Period	30 years	(1)
Period Open/Closed	Open	(1)
Asset Valuation Method	Market Value of Assets	5 year smoothed with 80%/120% corridor
Actuarial Assumptions:		
Investment Rate of Return (2)	4.25%	5.75%
Healthcare Cost Trend Rate (2)	7.5% graded to 5% over 8 years	N/A
Projected Salary Increases (3)	Vary by group and years of service	4.3% - 9.1%

- (1) The aggregate cost method does not identify or separately amortize unfunded liabilities, thus information about the plan's funded status and funding progress has been prepared using the entry age actuarial cost method. The information presented is intended to approximate the funding progress of the plan.
- (2) For the Retiree Health Benefit, the investment rate of return includes an inflation and productivity rate of 3.5%. The healthcare cost trend rate includes only inflation of 3%. For the DIPNC, the investment rate of return includes an inflation rate of 3%.
- (3) For the DIPNC, the projected salary increases include an inflation and productivity rate of 3.5%.

N/A Not Applicable

NOTES TO THE FINANCIAL STATEMENTS**NOTE 15: RISK MANAGEMENT AND INSURANCE****A. Public Entity Risk Pool****Public School Insurance Fund**

The Public School Insurance Fund (the Fund) is a public entity risk pool reported within the enterprise funds. In accordance with Chapter 115C, Article 38, of the General Statutes, the purpose of the Fund is to insure the Local Education Agencies (LEAs), in order to safeguard the property investments made in the public schools of North Carolina. The community colleges, which are component units, can also acquire insurance through the Fund as stated in General Statute 115D-58.11(c). The board of each LEA and the board of trustees of each community college are required to insure their buildings and contents on a replacement cost basis, as suggested by the Fund. The Fund is financed by premiums collected from the LEAs and the community colleges and interest is earned on the Fund's cash balance. Each board has to give notice of its election to insure in the Fund at least 30 days prior to such insurance becoming effective and shall furnish to the Fund a detailed list of all school buildings, contents and other insurable school property. While policies remain in effect, the Fund shall act as insurer of the properties covered by such insurance. The Fund currently insures 88 out of 116 LEAs and 31 out of 58 community colleges.

Claim liabilities are based on estimates of the ultimate cost of losses that have been reported but not settled. There are no salvage claims since any salvage is adjusted in the claim settlement. There are no subrogation claims pending. Since claims are reviewed by adjusters and the actual loss projection is computed in a short time after the claim is reported, the claim adjustment expense associated with the unpaid claim liability will be reflected in the current period.

The only acquisition costs are related to proposal costs and inspection costs for insured members. Since the Fund can only insure the LEAs and the community colleges, new contracts are immaterial. Since existing contracts are renewed once a year, the Fund's costs are for policy maintenance. Therefore, acquisition costs do not need to be amortized.

The following schedule shows the changes in the reported liability for the past two years (dollars in thousands):

	Fiscal Year	
	2014	2013
Unpaid claims at beginning of year	\$ 7,960	\$ 23,895
Incurred claims:		
Provision for insured events		
of the current year	8,585	6,386
Increases (decreases) in provision		
for insured events of prior years	(6,453)	(5,471)
Total incurred claims	<u>2,132</u>	<u>915</u>
Payments:		
Claims attributable to insured		
events of the current year	1,845	1,975
Claims attributable to insured		
events of the prior years	<u>1,086</u>	<u>14,875</u>
Total payments	<u>2,931</u>	<u>16,850</u>
Total unpaid claims at end		
of the year	<u>\$ 7,161</u>	<u>\$ 7,960</u>

With the collection of premiums from the insured educational units, payment of valid claims becomes the responsibility of the Fund. All claims greater than \$10 million per occurrence are covered by reinsurance contracts. Maximum recoverable from reinsurance for any one catastrophic event is \$45.5 million per occurrence. Losses in excess of the reinsurance limit would be paid by the Fund from long-term investments, subject to the maximum amount of available funds. Annual aggregate limits of \$15 million apply separately with respect to flood and earthquake. Coverage applies to "all risk" perils. Boiler and machinery coverage is provided under separate contract underwritten by the Fund. Incurred losses are reduced by estimated amounts recoverable under the Fund's reinsurance policies.

NOTES TO THE FINANCIAL STATEMENTS**B. Employee Benefit Plans****1. State Health Plan**

In accordance with Chapter 135, Article 3B, Part 1, of the General Statutes, the State established the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan). The Plan provides comprehensive healthcare benefits for employees and retirees of the State and its participating component units, as well as their qualified dependents on a contributory basis. These benefits are extended to employees and retirees of the Local Education Agencies (LEAs), and other employing units allowed by statute, which are not part of the State's reporting entity.

The Plan is reported as a major component unit. Coverage for active employees, non-Medicare retirees, and some Medicare retirees is self funded. Medicare retirees also have the option of selecting a fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP). Contributions for employee and retiree coverage are made by the State, its participating component units, LEAs, and other qualified employing units. Some of the plans also require an employee or retiree contribution, depending on the plan selected or the employee's or retiree's willingness to participate in wellness activities that reduce or eliminate employee contributions. Contributions for dependent coverage are made by employees and retirees. As described in Note 14, coverage is also extended to certain individuals as an other postemployment benefit. The Plan has contracted with third parties to process claims.

The Plan pays most expenses that are medically necessary and eligible for coverage based on allowed amounts for PPO plan members. Claims are subject to specified annual deductible and co-payment requirements. The Plan provides an unlimited lifetime benefit for the PPO plans. The authority for the PPO plans is provided in General Statute 135-48.2.

Claim liabilities are based on estimates of the ultimate cost of claims that have been incurred (both reported and unreported). Claim liabilities do not include nonincremental claims adjustment expenses. Changes in the Plan's aggregate liabilities for claims for the past two fiscal years are as follows (dollars in thousands):

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012-13	\$ 244,060	\$ 2,491,957	\$ (2,490,686)	\$ 245,331
2013-14	245,331	2,606,997	(2,619,652)	232,676

2. Death Benefit Plan of North Carolina

Term life insurance (death benefits) is provided through the Death Benefit Plan, a pension and other employee benefit trust fund, to all members of the Teachers' and State Employees' Retirement System who have completed at least 12 consecutive months of membership in the System. Membership includes employees of the State, the University of North Carolina System, community colleges, and certain participating proprietary component units. Employees of Local Education Agencies (LEAs) and miscellaneous educational units which are not part of the reporting entity are also included. The benefit payment is equal to the greater of (1) the compensation on which contributions were made by the member during the calendar year preceding the year in which his/her death occurs or (2) the member's highest 12 month's salary in a row during the 24 months prior to his/her death. The benefit is subject to a minimum of \$25,000 and to a maximum of \$50,000.

For the period July 1, 2013 to June 30, 2014, death benefits were funded by actuarially based employer contributions that are established in the biennial appropriation bill by the General Assembly. The State, the University of North Carolina System, community colleges, participating proprietary component units, LEAs and other miscellaneous educational units contributed 0.16% of covered payroll (as defined in Note 14) to fund the Death Benefit Plan for the period July 2013 to June 2014.

NOTES TO THE FINANCIAL STATEMENTS

These benefits are established by General Statute 135-5(1) and may be amended only by the North Carolina General Assembly. Claims liabilities are based on estimates of the ultimate cost of claims that have been incurred (both reported and unreported). Changes in the aggregate liabilities for claims for the past two fiscal years are as follows (dollars in thousands):

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012-13	\$ 3,533	\$ 45,620	\$ (45,671)	\$ 3,482
2013-14	3,482	44,612	(44,134)	3,960

3. Disability Income Plan of North Carolina

Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a pension and other employee benefit trust fund, to the eligible members of the Teachers' and State Employees' Retirement System which includes employees of the State, the University of North Carolina System, community colleges, certain participating proprietary component units and the University Employees' Optional Retirement Program. Employees of Local Education Agencies (LEAs) and miscellaneous educational units which are not part of the reporting entity are also included. Short-term benefits are payable after a waiting period of 60 continuous calendar days from the onset of disability. The 60 day waiting period is determined from the last actual day of service, the day of the disabling event if the disabling event occurred on a day other than a normal workday, or the day succeeding at least 365 calendar days after service as a State teacher or State employee, whichever is later. Short-term benefits are provided to currently active employees and the related liability is not measurable. The Board of Trustees may extend the short-term disability benefits of a beneficiary beyond the benefit period of 365 days for an additional period of not more than 365 days; provided the Medical Board determines that the beneficiary's disability is temporary and likely to end within the extended period of short-term disability benefits. During the extended period of short-term disability benefits, payment of benefits shall be made by the Plan directly to the beneficiary. As discussed in Note 14, long-term disability benefits are payable as an other postemployment benefit from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. These benefits are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly.

C. Other Risk Management and Insurance Activities**1. Automobile, Fire and Other Property Losses**

The State is required by Chapter 58, Article 31, Part 50, of the General Statutes to provide liability insurance on every state-owned motor vehicle, which includes vehicles held by the State's participating component units. The State is self-insured for the first \$1 million of any loss through a retrospective rated plan. The plan purchases excess insurance through a private insurer to cover losses greater than \$1 million up to \$10 million per occurrence. Covered losses include those that occur with vehicles that are not on a stationary track or rail, and federal vehicles when the Governor calls out the National Guard.

Agencies of the State and participating component units using state cars are charged premiums to cover the cost of the excess insurance and to pay for those losses falling under the self-insured retention. Premiums charged are also based on the projected losses to be incurred. The private insurer processes all claims and sets up a reserve for amounts expected to be paid for claims. Claims are paid by the private insurer after they are approved by the Attorney General's Office. Settled claims have not exceeded coverage in any of the past three fiscal years.

The State Property Fire Insurance Fund (the Fund), an internal service fund of the State, was created by Chapter 58, Article 31, of the General Statutes. The Fund insures State owned buildings and contents for fire, extended coverage, and other property losses. The Fund does not charge premiums for fire insurance for operations that are supported by the State's General Fund. Those operations that are not supported by the State's General Fund are charged for fire coverage. Agencies of the State can purchase extended coverage and other property coverage such as sprinkler leakage, business interruption, vandalism, theft, and "all risk" for buildings and contents through the Fund. For those that elect to receive any of this other coverage, the Fund charges premiums. The Fund insures losses up to \$2.5 million per occurrence. All losses covered by the Fund are subject to a \$5,000 per occurrence deductible. However, some agencies have chosen a higher deductible for a reduction in premium.

The Fund purchases excess insurance from private insurers to cover losses over the amounts insured by the Fund. If aggregate uninsured losses sustained by the Fund, in excess of \$50,000 per loss, other than flood and earthquake losses and wind losses by named storms, reach \$5 million in any one annual period, the Fund's retention for the remainder of the annual period is \$100,000 per occurrence. Settled claims have not exceeded coverage in any of the past three fiscal years.

NOTES TO THE FINANCIAL STATEMENTS

Claims of \$10,000 or higher are paid when the Council of State approves the request for payment. Claims less than \$10,000 are paid without Council of State approval. Claims costs are recognized when they are approved by the Council of State and are outstanding for payment; when known estimates of losses are waiting to be submitted to the Council of State for approval; or when a loss occurs and can be reasonably estimated. Changes in the balances of claims liabilities for the past two fiscal years are as follows (dollars in thousands):

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012-13	\$ 1,553	\$ 372	\$ (806)	\$ 1,119
2013-14	1,119	1,238	(1,017)	1,340

2. Medical Malpractice Protection**a. Professional Liability Insurance for State Medical Personnel**

Agencies of the State and participating component units are insured under the State Tort Claims Act, Chapter 143, Article 31, of the General Statutes. This act allows partial waiver of sovereign immunity up to \$1 million that the State may pay cumulatively to all claimants on account of injury and damage to any one person arising out of a single occurrence. The State has purchased commercial liability insurance for state employees which is excess over recovery from the Tort Claims Act and Defense of State Employees Act; however, claims involving medical malpractice are generally excluded from this coverage.

The University of North Carolina at Chapel Hill Medical School and UNC Hospitals participate in the Liability Insurance Trust Fund, which is described in detail below. East Carolina University (ECU) provides medical malpractice insurance for the Brody School of Medicine faculty physicians and independently licensed allied health providers. There is a shared blanket policy for all other employees of the ECU Physicians. The medical malpractice insurance is with a private insurance company with coverage of \$3 million per occurrence, \$5 million annual aggregate, and a \$200,000 deductible; as well as an excess policy in the amount of \$10 million. All other universities purchase medical professional liability insurance.

Chapter 237, Section 11.33, of the 1999 Session Laws of North Carolina authorized the Department of Health and Human Services, the Department of Environment and Natural Resources, and the Department of Public Safety to provide medical liability coverage on behalf of employees licensed to practice medicine or dentistry; all licensed physicians who are faculty members of the University of North Carolina who work on contract for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for incidents that occur in Division programs; and on behalf of medical residents from the University of North Carolina who are in training at institutions operated by the Department of Health and Human Services. The extent of coverage is a maximum of \$1 million for each individual incident and does not affect current coverage under the State Tort Claims Act. The Department of Health and Human Services, the Department of Environment and Natural Resources, and the Department of Public Safety purchase commercial professional liability insurance for their medical staff. Settled claims have not exceeded coverage in any of the past three fiscal years.

Insurance coverage varies depending upon the amount of coverage and the type of policy. Typically the amount of primary coverage for medical liability is \$1 million per individual, claim, or incidence, and \$3 million total or aggregate. Some departments and institutions have purchased higher limits to provide additional coverage above that provided by the primary policy for medical liability. The policies are written on a claims made or occurrence basis, with the majority of the policies being claims made. The claims liabilities are not measurable.

b. Self-Insurance through the Liability Insurance Trust Fund

The Liability Insurance Trust Fund (Trust Fund) is an unincorporated entity created by Chapter 116, Article 26, of the General Statutes and the University of North Carolina Board of Governors Resolution of June 9, 1978. The Trust Fund is a self-insurance program established to provide professional medical malpractice liability covering the University of North Carolina Hospitals at Chapel Hill (the Hospitals) and the University of North Carolina at Chapel Hill Faculty Physicians (UNCFP). The Trust Fund provides coverage for program participants and individual health care practitioners working as employees, agents, or officers of program participants. The Trust Fund is exempt from federal and state income taxes, and is not subject to regulation by the North Carolina Department of Insurance. Coverage is self-funded by contributions from participants and investment income. Contributions are based on the actuarially determined funding level for a given plan year.

For the periods ending June 30, 2013 and June 30, 2014, the Trust Fund provided coverage on an occurrence basis of \$3 million per individual and \$7 million in the aggregate per claim. Excess reinsurance coverage was not purchased for the policy years ending June 30, 2013 and June 30, 2014, as the Trust Fund chose to retain 100% of the liability. In lieu of reinsurance, the participants contributed \$10 million in the aggregate into the Reimbursement Fund during previous fiscal years for future losses.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ending June 30, 2014, the Trust Fund purchased a direct insurance policy to cover the first \$1 million per occurrence and \$3 million in the aggregate for dental residents. In the event the Trust Fund has insufficient funds to pay existing and future claims, it has the authority to borrow necessary amounts up to \$30 million. Any such borrowing would be repaid from the assets and revenues of program participants. No borrowings have been made under this authority to date. The Trust Fund council believes adequate funds are on deposit in the Trust Fund to meet estimated losses based upon the results of the independent actuary's report.

The Trust Fund establishes claim liabilities based on estimates of the ultimate cost of all losses and loss adjustment expenses, including losses and loss adjustment expenses incurred but not yet reported, which are unpaid at the balance sheet date. The claims liabilities of \$44.282 million and \$41.842 million are the present values of the aggregate actuarially determined claims liabilities of \$40.656 million and \$49.48 million, discounted at 0.5% at June 30, 2013 and 0.5% at June 30, 2014.

These estimates are reviewed annually, and as adjustments become necessary, such adjustments are reflected in current operations. Claims against participants are paid from the corpus of the Trust Fund. Changes in the Trust Fund's aggregate liabilities for claims for the past two fiscal years are as follows (dollars in thousands):

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012-13	\$ 48,885	\$ 5,482	\$ (10,085)	\$ 44,282
2013-14	44,282	1,588	(4,028)	41,842

3. Public Officers' and Employees' Liability Insurance

In accordance with Chapter 58, Article 32, Part 15, of the General Statutes, public officers' and employees' liability insurance is provided by private insurers for all employees of the State and participating component units except for doctors and dentists. The policy provides \$10 million excess insurance over the \$1 million statutory limit payable for any one claim under the State Tort Claims Act. The first \$150,000 of an award against a state agency is the responsibility of the state agency's General Fund budget code or up to \$1 million if a Non-General Fund budget code. For General Fund budget codes, any award greater than \$150,000 but less than \$1 million is funded by proportionate shares of estimated lapse salaries from all agencies' General Fund budget codes. Since state agencies and component units are responsible for funding any tort claims of \$1 million or less from their budget and/or lapse salaries, total claims liabilities are not measurable. Employers are charged a premium for the excess insurance based on a composite rate. The employers pay the premiums directly to the private insurer. Settled claims have not exceeded coverage in any of the past three fiscal years.

4. Employee Dishonesty and Computer Fraud

Blanket public employee dishonesty and computer fraud insurance is provided for agencies of the State and its component units with a limit of \$5 million per occurrence, subject to a 10% participation in each loss and a \$75,000 deductible. This coverage is placed with a private insurance company and is handled by the North Carolina Department of Insurance. Agencies of the State and its component units are charged premiums by the private insurance company. A small number of state agencies and component units of the State require faithful performance coverage in addition to employee dishonesty coverage. In these instances, separate policies have been purchased. The amounts of coverage and the deductibles vary among these separate policies. Settled claims have not exceeded coverage in any of the past three fiscal years.

5. Statewide Workers' Compensation Program

The Statewide Workers' Compensation Program (the Program) was created by Chapter 97, Article 1; Chapter 115C, Article 23; and Chapter 115D, Article 2 of the General Statutes to provide benefits to workers injured on the job. The program includes all employees of the State, universities and certain other component units. The program also includes community college employees and employees of Local Education Agencies (LEAs) whose salaries are paid with State funds. Although the LEAs are not part of the State reporting entity, the State is responsible for the workers' compensation liability of the state-funded LEA employees. Similarly, although community colleges are component units of the State, the primary government is responsible for the workers' compensation liability of state-funded college employees.

An injury is covered under workers' compensation if it is caused by an accident that arose out of and in the course of employment. Also, certain occupational diseases specifically designated in the North Carolina Workers' Compensation Act are compensable. Losses payable by the Program include medical claims, loss of wages, disability, and death benefits. Payments of all medical benefits are subject to approval based on a fee schedule established by the North Carolina Industrial Commission (NCIC). Loss of wages and disability benefits are payable based on 66 2/3% of an employee's average weekly salary subject to a statutory compensation rate minimum and

NOTES TO THE FINANCIAL STATEMENTS

maximum established annually by the NCIC. Death benefits are payable for 500 weeks at 66 2/3% of an employee's average weekly salary. In certain instances, death benefits may be extended beyond the 500 weeks.

The responsibility for claiming compensation is on the injured employee. If the injured employee or his representative does not notify the employer within 30 days from the date of injury, the employer can refuse compensation. A claim must be filed with the NCIC by either the employee or the employer within two years from the date of knowledge thereof; otherwise the claim is barred by law and no further compensation is allowable. When an employee is injured, the employer's primary responsibility is to arrange for and provide the necessary treatment for any work-related injury. The employer tries to provide the best possible medical care for injured employees to help them reach maximum medical improvement and return to work as soon as possible.

The State and its component units are self-insured for workers' compensation. A third-party administrator handles workers' compensation claims. State agencies and participating component units contribute to a fund administered by the Office of the State Controller to cover their workers' compensation claims. This fund is reported as an internal service fund. The third party administrator receives a per case administration fee and draws down state funds to make medical and indemnity payments on behalf of the State in accordance with the North Carolina Workers' Compensation Act. The Department of Public Instruction administers the Program for the State funded LEA employees through the same third party administrator.

Each state agency and participating component unit is billed for claims and an administrative fee paid to the third party administrator. Budgets for workers' compensation for most state agencies and participating component units are based on the prior year's loss experience. The workers' compensation liability is recognized when it is probable and reasonably estimated. This liability is presented as a component of the Governmental Activities Long-Term Liabilities.

The following schedule shows the changes in the reported liability for the past two fiscal years (dollars in thousands):

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012-13	\$ 136,732	\$ 73,227	\$ (59,708)	\$ 150,251
2013-14	150,251	90,927	(63,464)	177,714

6. Workers' Compensation Fund

The Workers' Compensation Fund (the Fund) is an insurance enterprise reported within the enterprise funds. The Fund is created in the Department of Insurance (the Department) and is administered by the State Fire and Rescue Commission (the Commission) through a service contract with a third-party administrator. In accordance with Chapter 58, Article 87, of the General Statutes, the purpose of the Workers' Compensation Fund is to provide workers' compensation benefits to members of "eligible units," which consist of volunteer fire departments or volunteer rescue/EMS units that are not part of a unit of local government and are exempt from state income tax under General Statute 105-130.11. These eligible units are not part of the reporting entity. Benefits are payable for compensable injuries or deaths which occurred on or after July 1, 1996. The Fund is financed by transfers from General Fund and by per capita fixed dollar amounts for each member of a participating eligible unit's roster. The per capita fixed dollar amount is set annually by the Commission and is paid by the eligible units to the Commission on or before July 1 of each year for credit to the Fund. If payment is not received by July 1, the eligible unit shall not receive workers' compensation coverage for that fiscal year. As of June 30, 2014, the Fund consisted of 1,120 eligible units representing approximately 42,787 members.

The liability for unpaid claims is based on an actuarial determination and represents a reasonable estimate of the ultimate cost of open claims and claim settlement expenses that are unpaid as of the fiscal year end, including incurred but not reported losses. The liability for unpaid claims is continually reviewed, and as adjustments become necessary such adjustments are included in current operations. Claim liabilities do not include nonincremental claims adjustment expenses. The Fund considers anticipated investment income in determining if a premium deficiency exists. The Fund recognizes subrogation from third parties as a reduction to claim and claim settlement expenses incurred. As of June 30, 2014, there was no reduction for subrogation.

Acquisition costs consist of commission payments to independent insurance agents for marketing, promotional and administrative assistance with policy maintenance to eligible units. As coverage is renewed annually, acquisition costs are not amortized.

The Fund maintains both specific excess of loss and aggregate reinsurance coverage. The specific excess of loss coverage provides for statutory limits above the Fund's retention of \$500,000 per occurrence and a \$1.5 million limit for employer's liability above the Fund's retention of \$500,000 per occurrence. Incurred losses are reduced by estimated amounts recoverable under the Fund's excess of

NOTES TO THE FINANCIAL STATEMENTS

loss and aggregate reinsurance policies. As of June 30, 2014, there are claims recoverable from reinsurers in the amount of \$100 thousand.

The following schedule shows the changes in the reported liability for the past two fiscal years (dollars in thousands):

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2012-13	\$ 18,991	\$ 10,665	\$ (11,075)	\$ 18,581
2013-14	18,581	10,523	(7,554)	21,550

NOTES TO THE FINANCIAL STATEMENTS**NOTE 16: INDIVIDUAL PLAN FINANCIAL STATEMENTS – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

Financial statements for Pension and Other Employee Benefit Trust Funds as of and for the fiscal year ended June 30, 2014 are presented below.

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2014

(Dollars in Thousands)

	Teachers' and State Employees' Retirement System	Consolidated Judicial Retirement System	Legislative Retirement System	Firefighters' and Rescue Squad Workers' Pension Fund	North Carolina National Guard Pension Fund	Local Governmental Employees' Retirement System
Assets						
Cash and cash equivalents.....	\$ 103,711	\$ 784	\$ 49	\$ 971	\$ 1,341	\$ 59,357
Investments:						
Collective investment funds.....	—	—	—	—	—	—
Unallocated insurance contracts.....	—	—	—	—	—	—
Synthetic guaranteed investment contracts....	—	—	—	—	—	—
State Treasurer investment pool.....	65,410,227	536,951	30,000	388,455	108,732	22,831,512
Non-State Treasurer pooled investments.....	—	—	—	—	—	—
Securities lending collateral.....	2,600,635	21,300	1,202	15,472	4,442	907,668
Receivables:						
Accounts receivable.....	3,356	1	5	34	9	3,490
Interest receivable.....	112	1	—	1	1	42
Contributions receivable.....	67,362	—	—	—	—	39,885
Due from other funds.....	39,066	1,972	—	—	—	—
Due from component units.....	7,417	—	—	—	—	—
Notes receivable.....	—	—	—	—	—	—
Total Assets.....	<u>68,231,886</u>	<u>561,009</u>	<u>31,256</u>	<u>404,933</u>	<u>114,525</u>	<u>23,841,954</u>
Liabilities						
Accounts payable and accrued liabilities:						
Accounts payable.....	—	—	—	—	—	—
Benefits payable.....	1,484	—	—	—	14	453
Obligations under securities lending.....	2,608,346	21,394	1,196	15,528	4,481	913,899
Funds held for others.....	6,281	51	9	—	—	16
Total Liabilities.....	<u>2,616,111</u>	<u>21,445</u>	<u>1,205</u>	<u>15,528</u>	<u>4,495</u>	<u>914,368</u>
Net Position						
Restricted for:						
Pension benefits.....	65,615,775	539,564	30,051	389,405	110,030	22,927,586
Postemployment benefits.....	—	—	—	—	—	—
Other employment benefits.....	—	—	—	—	—	—
Total Net Position.....	<u>\$ 65,615,775</u>	<u>\$ 539,564</u>	<u>\$ 30,051</u>	<u>\$ 389,405</u>	<u>\$ 110,030</u>	<u>\$ 22,927,586</u>

NOTES TO THE FINANCIAL STATEMENTS

401(k) Supplemental Retirement Income Plan	Deferred Compensation Plan	Death Benefit Plan of N.C.	Retiree Health Benefit Fund	Disability Income Plan of N.C.	Sheriffs' Pension Fund	Register of Deeds' Supplemental Pension Fund	Totals
\$ —	\$ —	\$ 8,510	\$ 128,531	\$ 7,515	\$ 935	\$ 83	\$ 311,787
198,366	40,056	—	—	—	—	—	238,422
667,580	142,994	—	—	—	—	—	810,574
1,005,925	209,176	—	—	—	—	—	1,215,101
—	—	401,944	834,433	400,387	—	46,727	90,989,368
5,446,576	684,730	—	—	—	—	—	6,131,306
—	—	51,791	49,039	51,568	121	5,918	3,709,156
245	46	—	—	25,448	—	—	32,634
—	—	8	44	4	—	—	213
3,804	243	741	30,308	2,465	—	69	144,877
—	—	426	14,681	1,171	—	—	57,316
—	—	65	3,956	334	—	—	11,772
273,171	16,627	—	—	—	—	—	289,798
<u>7,595,667</u>	<u>1,093,872</u>	<u>463,485</u>	<u>1,060,992</u>	<u>488,892</u>	<u>1,056</u>	<u>52,797</u>	<u>103,942,324</u>
1,040	311	94	—	—	—	—	1,445
—	—	3,960	1,673	128	—	—	7,712
—	—	52,485	49,237	52,161	117	5,988	3,724,832
—	—	—	—	178	—	—	6,535
<u>1,040</u>	<u>311</u>	<u>56,539</u>	<u>50,910</u>	<u>52,467</u>	<u>117</u>	<u>5,988</u>	<u>3,740,524</u>
7,594,627	—	—	—	—	939	46,809	97,254,786
—	—	—	1,010,082	436,425	—	—	1,446,507
—	1,093,561	406,946	—	—	—	—	1,500,507
<u>\$ 7,594,627</u>	<u>\$ 1,093,561</u>	<u>\$ 406,946</u>	<u>\$ 1,010,082</u>	<u>\$ 436,425</u>	<u>\$ 939</u>	<u>\$ 46,809</u>	<u>\$ 100,201,800</u>

NOTES TO THE FINANCIAL STATEMENTS**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Teachers' and State Employees' Retirement System	Consolidated Judicial Retirement System	Legislative Retirement System	Firefighters' and Rescue Squad Workers' Pension Fund	North Carolina National Guard Pension Fund	Local Governmental Employees' Retirement System
Additions						
Contributions:						
Employer.....	\$ 1,177,341	\$ 21,390	\$ —	\$ —	\$ —	\$ 413,175
Members.....	825,548	5,599	253	2,781	—	346,961
Other contributions.....	—	—	—	14,627	7,007	—
Total contributions.....	<u>2,002,889</u>	<u>26,989</u>	<u>253</u>	<u>17,408</u>	<u>7,007</u>	<u>760,136</u>
Investment Income:						
Investment earnings.....	9,500,013	77,389	4,470	56,085	15,566	3,293,723
Less investment expenses.....	(379,008)	(3,095)	(177)	(2,244)	(624)	(131,758)
Net investment income	<u>9,121,005</u>	<u>74,294</u>	<u>4,293</u>	<u>53,841</u>	<u>14,942</u>	<u>3,161,965</u>
Other additions:						
Fees, licenses and fines.....	—	—	—	—	—	3,225
Interest earnings on loans.....	—	—	—	—	—	—
Miscellaneous.....	326	1	—	3	1	71
Total other additions.....	<u>326</u>	<u>1</u>	<u>—</u>	<u>3</u>	<u>1</u>	<u>3,296</u>
Total additions.....	<u>11,124,220</u>	<u>101,284</u>	<u>4,546</u>	<u>71,252</u>	<u>21,950</u>	<u>3,925,397</u>
Deductions						
Claims and benefits.....	3,881,333	35,381	2,395	25,264	7,502	1,047,766
Medical insurance premiums	—	—	—	—	—	—
Refund of contributions.....	108,064	46	219	350	—	59,033
Administrative expenses.....	10,761	48	37	1,045	73	3,974
Other deductions.....	7	—	—	—	—	—
Total deductions.....	<u>4,000,165</u>	<u>35,475</u>	<u>2,651</u>	<u>26,659</u>	<u>7,575</u>	<u>1,110,773</u>
Change in net position.....	<u>7,124,055</u>	<u>65,809</u>	<u>1,895</u>	<u>44,593</u>	<u>14,375</u>	<u>2,814,624</u>
Net position — July 1, as restated.....	58,491,720	473,755	28,156	344,812	95,655	20,112,962
Net position — June 30.....	<u>\$ 65,615,775</u>	<u>\$ 539,564</u>	<u>\$ 30,051</u>	<u>\$ 389,405</u>	<u>\$ 110,030</u>	<u>\$ 22,927,586</u>

NOTES TO THE FINANCIAL STATEMENTS

401(k) Supplemental Retirement Income Plan	Deferred Compensation Plan	Death Benefit Plan of N.C.	Retiree Health Benefit Fund	Disability Income Plan of N.C.	Sheriffs' Pension Fund	Registers of Deeds' Supplemental Pension Fund	Totals
\$ 166,894	\$ 105	\$ 21,654	\$ 815,157	\$ 65,878	\$ 899	\$ 817	\$ 2,683,310
305,336	66,744	—	—	—	—	—	1,553,222
—	—	22,885	—	—	—	—	44,519
<u>472,230</u>	<u>66,849</u>	<u>44,539</u>	<u>815,157</u>	<u>65,878</u>	<u>899</u>	<u>817</u>	<u>4,281,051</u>
1,119,411	149,212	24,390	119,980	23,599	7	2,721	14,386,566
—	—	(69)	(4,803)	(67)	—	(7)	(521,852)
<u>1,119,411</u>	<u>149,212</u>	<u>24,321</u>	<u>115,177</u>	<u>23,532</u>	<u>7</u>	<u>2,714</u>	<u>13,864,714</u>
—	—	—	—	—	—	—	3,225
11,127	653	—	—	—	—	—	11,780
1,764	222	—	—	—	—	—	2,388
<u>12,891</u>	<u>875</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>17,393</u>
<u>1,604,532</u>	<u>216,936</u>	<u>68,860</u>	<u>930,334</u>	<u>89,410</u>	<u>906</u>	<u>3,531</u>	<u>18,163,158</u>
361,283	54,311	44,612	—	76,753	933	1,666	5,539,199
—	—	10,477	791,338	—	—	—	801,815
—	—	—	—	—	—	—	167,712
1,857	294	376	457	866	91	18	19,897
—	—	6,258	3,211	1	—	—	9,477
<u>363,140</u>	<u>54,605</u>	<u>61,723</u>	<u>795,006</u>	<u>77,620</u>	<u>1,024</u>	<u>1,684</u>	<u>6,538,100</u>
1,241,392	162,331	7,137	135,328	11,790	(118)	1,847	11,625,058
6,353,235	931,230	399,809	874,754	424,635	1,057	44,962	88,576,742
<u>\$ 7,594,627</u>	<u>\$ 1,093,561</u>	<u>\$ 406,946</u>	<u>\$ 1,010,082</u>	<u>\$ 436,425</u>	<u>\$ 939</u>	<u>\$ 46,809</u>	<u>\$ 100,201,800</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17: PLEDGED REVENUES

Primary Government**Governmental Activities**

The State has pledged future federal transportation revenues to repay \$395.275 million of Grant Anticipation Revenue Vehicle (GARVEE) bonds payable at June 30, 2014. These bonds were issued in October 2007, August 2009 and January 2012. Such federal transportation revenues consist of amounts derived from the National Highway System and other federal surface transportation programs pursuant to Title 23 of the United States Code. Annual principal and interest requirements on the GARVEE bonds of governmental activities are expected to require less than 9% of such federal transportation revenues. The North Carolina General Statute 136-18 limits the amount that can be issued by providing that the maximum debt service on all GARVEE bonds (including North Carolina Turnpike Authority GARVEE bonds below) may not exceed 15% of the expected annual federal revenue and that the outstanding principal amount may not exceed the total amount of federal transportation funds authorized to the State in the prior federal fiscal year.

Proceeds from the bonds will be used to accelerate the funding of various transportation projects identified in the current State Transportation Improvement Plan. As required by State law, the projects have been selected on factors including a broad geographical distribution across the State. The total principal and interest remaining to be paid on the bonds is \$463.046 million, payable through 2021. For the current fiscal year, principal and interest paid and total federal transportation revenues were \$80.551 million and \$1.311 billion, respectively.

Business-type Activities**North Carolina Turnpike Authority**

The State has pledged, as security for revenue bonds issued by the North Carolina Turnpike Authority (NCTA), net revenues from the operation of the Triangle Expressway System and the Monroe Connector System. On July 29, 2009, NCTA issued Triangle Expressway System State Annual Appropriation Revenue Bonds (\$352.675 million) and Triangle Expressway System Senior Lien Revenue Bonds (\$270.083 million). In October 2010, NCTA issued Monroe Connector System State Annual Appropriation Revenue Bonds (\$233.92 million). In November 2011, NCTA issued Monroe Connector System Senior Lien Revenue Bonds (\$10 million) and State Annual Appropriation Revenue Bonds (\$214.505 million). In December 2011, NCTA issued Monroe Connector System GARVEE bonds (\$145.535 million). For the Senior Lien Revenue Bonds, specific revenues pledged consist of toll revenues and all other income derived from the operation of the Triangle Expressway System. For the State Annual Appropriation Revenue Bonds, specific revenues pledged consist of federal interest subsidy payments and investment income. For the GARVEE bonds, the State has pledged future federal transportation revenues. Such federal transportation revenues consist of amounts derived from the National Highway System and other federal surface transportation programs pursuant to Title 23 of the United States Code. Annual principal and interest requirements on the GARVEE bonds of the NCTA are expected to require less than 13% of such federal transportation revenues.

The State has elected to treat the State Annual Appropriation Revenue Bonds as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 and to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on these bonds.

Proceeds from the bonds are being used to pay the costs of land acquisition, design, construction, and equipping of the Triangle Expressway System, a 19-mile toll road facility built in Durham and Wake counties that was fully opened in January 2013. Additionally, proceeds from the bonds are being used to pay the costs of design, construction, and equipping of the Monroe Connector System, a 19.7-mile toll road facility to be built in Mecklenburg and Union counties. The total principal and interest remaining to be paid on the bonds is \$2.327 billion, payable through fiscal year 2042 (final maturity date). For the current fiscal year, principal and interest paid, and available revenues (toll revenues, fees, federal interest subsidy, federal transportation funds and investment revenues) were \$81.735 million and \$48.47 million respectively.

Unemployment Compensation Fund

The State has pledged future unemployment tax contributions from employers to repay \$980.986 million in repayable advances from the Federal Unemployment Account. Proceeds from the advances were used to pay unemployment benefits because of an operating deficit in the State's Unemployment Compensation Fund.

Currently, the repayable advances are payable from the unemployment tax contributions and additional federal unemployment taxes imposed on the State's employers for calendar year 2013. Both will be used specifically for paying down the debt until it is settled. Meanwhile, the State unemployment benefits will continue to be paid from the repayable advances.

NOTES TO THE FINANCIAL STATEMENTS

Total revenue collected from unemployment tax contributions for the year was \$1.62 billion. The total amount collected from unemployment tax contributions and additional federal unemployment taxes used to pay down the principal on the repayable advances was \$1.643 billion. The State also paid \$17 million against the debt from State funds, bringing the total repayment on the principal to \$1.66 billion.

Component Units**University of North Carolina System**

The University of North Carolina System has pledged future revenues, net of specific operating expenses, to repay revenue bonds and certificates of participation as shown in the table below (dollars in thousands):

Purpose	Revenue Source	Future Revenues Pledged		Current Year		Final Maturity Date	Payable as of 6/30/2014
		(1) Amount	% of Total Revenue Source	Pledged Revenues, Net of Expenses	Principal and Interest Payments		
Revenue Bonds							
Housing and Dining	Housing and Dining revenues	\$ 95,109	4.27% - 74.00%	\$ 17,863	\$ 4,234	2042	\$ 60,090
Utilities	Utilities Revenues	69,851	6.00% - 13.00%	46,852	8,868	2022	69,330
Health Care Facilities	Patient Service Revenues	200,068	43.00% - 100.00%	18,096	12,011	2034	136,890
Other	Various	1,010	86.00%	235	200	2019	905
Total		<u>\$ 366,038</u>		<u>\$ 83,046</u>	<u>\$ 25,313</u>		<u>\$ 267,215</u>
Certificates of Participation							
Student Housing System	Housing Revenues	\$ 63,092	41.00% - 78.00%	\$ 4,179	\$ 2,934	2037	\$ 39,545

(1) The Future Revenues Pledged amount is equivalent to the total principal and interest remaining to be paid on the associated bonds.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: COMPONENT UNITS — FINANCIAL INFORMATION

Financial statements as of and for the fiscal year ended June 30, 2014 are presented below (dollars in thousands).

Statement of Net Position

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
Assets					
Cash and cash equivalents.....	\$ 1,498,323	\$ 274,441	\$ 958,558	\$ 104,106	\$ 2,835,428
Investments.....	2,294,703	85,944	—	972,848	3,353,495
Receivables, net.....	1,175,591	96,251	50,035	93,220	1,415,097
Due from component units.....	4,106	—	—	2,508	6,614
Due from primary government.....	121,023	—	—	71,618	192,641
Inventories.....	107,630	21,321	—	758	129,709
Prepaid items.....	73,049	4,804	—	1,993	79,846
Notes receivable, net.....	156,345	750	—	3,455,190	3,612,285
Investment in joint venture.....	66,195	—	—	—	66,195
Restricted/designated cash and cash equivalents.....	1,569,418	98,685	—	828,352	2,496,455
Restricted investments.....	3,673,453	208,374	—	1,644,135	5,525,962
Restricted due from primary government.....	527	23,784	—	—	24,311
Restricted due from component units.....	—	4,580	—	—	4,580
Capital assets-nondepreciable.....	1,287,579	340,941	—	115,144	1,743,664
Capital assets-depreciable, net.....	11,105,017	2,312,184	36	556,705	13,973,942
Total Assets.....	23,132,959	3,472,059	1,008,629	7,846,577	35,460,224
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives..	118,129	—	—	4,669	122,798
Deferred loss on refunding.....	27,613	—	—	—	27,613
Other deferred outflow.....	—	3,783	—	—	3,783
Total Deferred Outflows of Resources.....	145,742	3,783	—	4,669	154,194
Liabilities					
Accounts payable and accrued liabilities.....	814,838	70,875	21,680	111,986	1,019,379
Medical claims payable.....	—	—	232,676	—	232,676
Interest payable.....	41,301	51	—	21,181	62,533
Short-term debt.....	40,331	—	—	—	40,331
Due to component units.....	—	—	—	11,194	11,194
Due to primary government.....	648	29	8	1,245	1,930
Unearned revenue.....	165,414	20,077	16,059	74,332	275,882
Advance from primary government.....	—	—	—	4,326	4,326
Deposits payable.....	10,903	—	—	3,580	14,483
Funds held for others.....	427,500	7,205	—	1,549,258	1,983,963
Hedging derivatives liability.....	118,129	—	—	4,669	122,798
Long-term liabilities:					
Due within one year.....	346,774	12,450	33	272,309	631,566
Due in more than one year.....	4,941,770	112,375	352	2,956,334	8,010,831
Total Liabilities.....	6,907,608	223,062	270,808	5,010,414	12,411,892
Deferred Inflows of Resources					
Deferred state aid.....	—	—	—	95,865	95,865
Net Position					
Net investment in capital assets.....	7,758,918	2,604,015	36	538,799	10,901,768
Restricted for:					
Nonexpendable:					
Higher education.....	2,039,925	178,467	—	—	2,218,392
Expendable:					
Higher education.....	3,619,667	233,018	—	481,611	4,334,296
Health and human services.....	—	—	—	41	41
Economic development.....	—	—	—	717,889	717,889
Unrestricted.....	2,952,583	237,280	737,785	1,006,627	4,934,275
Total Net Position.....	\$ 16,371,093	\$ 3,252,780	\$ 737,821	\$ 2,744,967	\$ 23,106,661

NOTES TO THE FINANCIAL STATEMENTS**Statement of Activities**

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
Total expenses.....	\$ 10,525,753	\$ 2,203,868	\$ 2,831,105	\$ 981,704	\$ 16,542,430
Program revenues:					
Charges for services..... [1]	6,891,268	305,363	2,934,170	546,729	10,677,530
Operating grants and contributions:					
State aid - program.....	—	—	—	263,752	263,752
Other operating grants and contributions.....	1,630,483	915,597	78,704	217,393	2,842,177
Capital grants and contributions:					
State capital aid.....	140,363	55,282	—	1	195,646
Other capital grants and contributions.....	36,003	166,057	—	2,683	204,743
Net program (expense) revenue.....	(1,827,636)	(761,569)	181,769	48,854	(2,358,582)
Non-tax general revenues:					
State aid - general.....	2,577,712	921,239	—	26,823	3,525,774
Miscellaneous.....	953	45	—	1,770	2,768
Total non-tax general revenues.....	2,578,665	921,284	—	28,593	3,528,542
Contributions to endowments.....	103,798	4,932	—	—	108,730
Change in net position.....	854,827	164,647	181,769	77,447	1,278,690
Net position — July 1, as restated	15,516,266	3,088,133	556,052	2,667,520	21,827,971
Net position — June 30.....	\$ 16,371,093	\$ 3,252,780	\$ 737,821	\$ 2,744,967	\$ 23,106,661

[1] The State Health Plan's charges for services include \$1.18 billion from the primary government.

Significant Transactions Between Component Units

	University of North Carolina System	Community Colleges	State Health Plan	Other Component Units	Total
State Health Plan - premium revenue (expense).....	(285,138)	(81,168)	368,456	(2,150)	—

Intra-Entity Balances — Between Primary Government and Component Units

	Due From/Restricted Due From Component Units			Due From/Restricted Due From Primary Government			
	Highway Fund	Other Funds	Total	University of North Carolina System	Community Colleges	Other Component Units	Total
Due To Component Units:							
General Fund.....	\$ —	\$ —	\$ —	\$ 121,023	\$ —	\$ 71,618	\$ 192,641
Other Governmental Funds.....	—	—	—	527	23,784	—	24,311
Due To Primary Government:							
University of North Carolina System..	—	648	648	—	—	—	—
Community Colleges.....	—	29	29	—	—	—	—
State Health Plan	—	8	8	—	—	—	—
Other Component Units.....	1,224	21	1,245	—	—	—	—
Total.....	\$ 1,224	\$ 706	\$ 1,930	\$ 121,550	\$ 23,784	\$ 71,618	\$ 216,952

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19: RELATED ORGANIZATIONS

MCNC

MCNC (formerly the Microelectronics Center of North Carolina) is a legally separate private nonprofit corporation fostering the advancement of education, innovation and economic development throughout North Carolina by providing high quality network infrastructure and network-based services. It is managed by a board of directors comprised of two members appointed by the Governor; up to four members appointed by the president of the University of North Carolina System, a component unit of the State; up to seven members elected by the majority vote of persons then constituting the MCNC Board; and one member whose term expires in July 2015. Any director may be removed from office by the MCNC Board with cause.

North Carolina Agricultural Finance Authority

The North Carolina Agricultural Finance Authority (Authority) is a legally separate authority created to administer the financing of loans to farmers and agribusiness at reasonable terms and interest rates. The Authority is governed by a 10-member board comprised of three members appointed by the Governor; six members appointed by the General Assembly; and serving ex officio, the Commissioner of Agriculture or the Commissioner's designee.

North Carolina Capital Facilities Finance Agency

The North Carolina Capital Facilities Finance Agency (Agency) provides the benefits of tax-exempt financing to nonprofit institutions providing elementary and secondary education, private institutions of higher education, and various other entities for special purpose projects serving a public interest (see Note 21). The Agency is governed by a seven member board comprised of two members appointed by the General Assembly; three members appointed by the Governor; and the State Treasurer and the State Auditor, both of whom serve ex officio.

Rural Economic Development Center, Inc.

The Rural Economic Development Center, Inc. (Center) is a legally separate nonprofit corporation established to build economic strength in the State's 85 rural counties, with a special focus on individuals with low to moderate incomes and communities with limited resources. The Center is governed by a board of directors of not less than 12 and not more than 30 members. Three members are appointed by the Governor, three by the Speaker of the House, and three by the President Pro Tempore of the Senate. The other members are elected by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20: RELATED PARTY TRANSACTIONS

Primary Government**Supplemental Retirement Income Plan of North Carolina and North Carolina Public Employee Deferred Compensation Plan**

General Statute 135-96 established the Supplemental Retirement Board of Trustees (Board) to administer both the Supplemental Retirement Income Plan of North Carolina and the North Carolina Public Employee Deferred Compensation Plan. The Plan document for each Plan designates that the general administration and responsibility for carrying out the provisions of the Plan, as directed by the Board, shall be placed with the Retirement Systems Division of the Department of State Treasurer as Primary Administrator. The Board and Primary Administrator have entered into an agreement with Prudential Financial, Inc. to perform recordkeeping, administration and investment management services for both Plans.

The Plans contract Galliard Capital Management, Inc. (Galliard), a subsidiary of Wells Fargo Bank N.A., to act as a fiduciary investment advisor for the North Carolina Stable Value Fund. Galliard has the discretion over the benefit responsive contracts and the underlying investment managers. Galliard also has the authority to invest in securities subject to guidelines agreed upon by the Board. As an advisor, Galliard is primarily responsible for ensuring that negotiated investment contracts are adhered to by the insurance companies, bank or other eligible providers who have entered into such contracts. Not less than quarterly, Galliard reports the financial condition of the investment contracts and whether the contracts are being administered according to their respective terms. The fees for wrap coverage, investment management and advisory services are deducted from participants' account balances.

Prudential Retirement Insurance and Annuity Company (Prudential), which is a subsidiary of Prudential Financial, Inc., provides administrative services related to the North Carolina Stable Value Fund and the Pooled Separate Account SA-NC. Prudential is also the provider of record keeping and participant services. The fees to Prudential are deducted from the participants' account balances.

Component Units**University of North Carolina System and Community College Foundations**

The University of North Carolina (UNC) System and community colleges have separately incorporated not-for-profit foundations that are associated with constituent institutions of the UNC System or individual colleges. These organizations serve as a fundraising arm of the respective institutions through which individuals, corporations, and other organizations support institution programs by providing scholarships, fellowships, faculty salary supplements, and unrestricted funds to specific departments and the institution's overall academic environment. These affiliated organizations are not included as component units since the economic resources received or held by an individual organization are not significant to the primary government. Therefore, the financial statements of the UNC System and community colleges do not include the assets, liabilities, net position, or operational transactions of these foundations, except for support from each organization to constituent institutions or colleges. For the fiscal year ended June 30, 2014, this support totaled \$64.64 million for the UNC System and \$1.22 million for community colleges.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21: COMMITMENTS AND CONTINGENCIES

A. No Commitment Debt

The State, by action of the General Assembly, created the North Carolina Medical Care Commission which is authorized to issue tax-exempt bonds and notes to finance construction and equipment projects for nonprofit and public hospitals, nursing homes, continuing care facilities for the elderly and related facilities. The bonds are not an indebtedness of the State and, accordingly, are not reflected in the accompanying financial statements. Each issue is payable solely from the revenues of the facility financed by that issue and any other credit support provided. Therefore, each issue is separately secured and is separate and independent from all other issues as to source of payment and security. The indebtedness of each entity is serviced and administered by a trustee independent of the State. Maturing serially to calendar year 2045, the outstanding principal of such bonds and notes as of June 30, 2014, was \$7.1 billion with interest rates varying from 0.2% to 7%.

The North Carolina Capital Facilities Finance Agency (Agency) is authorized by the State to issue tax-exempt bonds and notes to finance industrial and manufacturing facilities, pollution control facilities for industrial (in connection with manufacturing) or pollution control facilities and to finance facilities and structures at private nonprofit colleges and universities, and institutions providing kindergarten, elementary and secondary education, and various other nonprofit entities. The Agency's authority to issue bonds and notes also includes financing private sector capital improvements for activities that constitute a public purpose. The bonds issued by the Agency are not an indebtedness of the State and, accordingly, are not reflected in the accompanying financial statements. Each issue is payable solely from the revenues of the facility financed by that issue and any other credit support provided. Therefore, each issue is separately secured and is separate and independent from all other issues as to source of payment and security. The outstanding principal of such bonds and notes as of June 30, 2014, was \$3.1 billion carrying both fixed interest rates and variable interest rates which can be reset periodically.

B. Litigation

Hoke County, et al. v. State of North Carolina and State Board of Education — Right to a Sound Basic Education (formerly Leandro). In 1994, students and boards of education in five counties in the State filed suit in Superior Court requesting a declaration that the public education system of North Carolina, including its system of funding, violates the state Constitution by failing to provide adequate or substantially equal educational opportunities, by denying due process of law, and by violating various statutes relating to public education. Five other school boards and students therein intervened, alleging claims for relief on the basis of the high proportion of at-risk and high-cost students in their counties' systems.

The suit is similar to a number of suits in other states, some of which resulted in holdings that the respective systems of public education funding were unconstitutional under the applicable state law. The State filed a motion to dismiss, which was denied. On appeal, the North Carolina Supreme Court upheld the present funding system against the claim that it unlawfully discriminated against low wealth counties, but remanded the case for trial on the claim for relief based on the Court's conclusion that the Constitution guarantees every child the opportunity to obtain a sound basic education. Trial on the claim of one plaintiff-county was held in the fall of 1999. On October 26, 2000 the trial court, in Section Two of a projected three-part ruling, concluded that at-risk children in North Carolina are constitutionally entitled to such pre-kindergarten educational programs as may be necessary to prepare them for higher levels of education and the "sound basic education" mandated by the Supreme Court. On March 26, 2001, the Court issued Section Three of the three-part ruling, in which the judge ordered all parties to investigate certain school systems to determine why they are succeeding without additional funding. The State filed a Notice of Appeal to the Court of Appeals, which resulted in the Court's decision to re-open the trial and call additional witnesses. That proceeding took place in the fall of 2001. On April 4, 2002, the Court entered Section Four of the ruling, ordering the State to take such actions as may be necessary to remedy the constitutional deficiency for those children who are not being provided with access to a sound basic education and to report to the Court at 90-day intervals remedial actions being implemented. On July 30, 2004, the North Carolina Supreme Court affirmed the majority of the trial court's orders, thereby directing the executive and legislative branches to take corrective action necessary to ensure that every child has the opportunity to obtain a sound, basic education. The Supreme Court did agree with the State that the trial court exceeded its authority in ordering pre-kindergarten programs for at-risk children. The State is now undertaking measures to respond to the trial court's directives. The magnitude of state resources which may ultimately be required cannot be determined at this time; however, the total cost could exceed \$100 million.

On June 15, 2011, the General Assembly enacted legislation which placed certain restrictions on the North Carolina Pre-Kindergarten Program (N.C. Pre-K) which had been established by the General Assembly in 2001. Following a hearing requested by the plaintiffs, the trial court entered an order prohibiting the enforcement of legislation having the effect of restricting participation in the N.C. Pre-K program. On appeal, the North Carolina Court of Appeals affirmed the trial court's order prohibiting the State from denying any eligible "at risk" children admission to the N.C. Pre-K program. The State has appealed this decision and the North Carolina Supreme Court, in

NOTES TO THE FINANCIAL STATEMENTS

November 2013, held that amendments to the 2011 legislation had rendered the appeal moot. The case will now be remanded to Superior Court.

Lake v. North Carolina State Health Plan — Retiree Health Insurance. The main issue is whether the State wrongfully charged a monthly premium to retired state employees for the state's 80/20 coinsurance health plan. The general theme of the complaint is that the State established vesting requirements under which if the employee fulfilled the requirements the State contracted with each employee to provide 80/20 insurance coverage at no monthly cost to the retiree for the duration of each retiree's retirement. Similarly, the plaintiffs allege that the State terminated an optional 90/10 health plan to which they had vested rights. Plaintiffs claim (1) breach of contract; (2) unconstitutional impairment of contract; (3) unconstitutional denial of equal protection; and (4) unconstitutional denial of due process. The plaintiffs also allege a variety of equitable claims (e.g., specific performance, common fund) that piggy-back on the legal claims.

The State has filed and briefed its motion to dismiss based on Rules of Civil Procedure 12(b) (1), (2) and (6). After a hearing, the trial court denied the motion to dismiss. The State has appealed to the North Carolina Court of Appeals.

Pashby v. Wos – Personal Care Services Program. This case is a class action lawsuit in Federal District Court involving challenges to the Personal Care Services Program (PCS) in North Carolina. The Plaintiffs have alleged violations of the ADA, Rehabilitation Act, due process, and the Medicaid Act based on a change in the eligibility criteria for a Medicaid beneficiary to receive personal care services. The Plaintiffs alleged that the eligibility criteria for PCS differed between Medicaid beneficiaries receiving PCS in their home as opposed to in an Adult Care Home and which would then force Medicaid beneficiaries into Adult Care Homes in order to receive PCS. The District Court certified the class and entered a Preliminary Injunction in December 2011 which was appealed to the Fourth Circuit Court of Appeals. The 4th Circuit entered a stay of the District Court Preliminary Injunction but in April 2013 issued an opinion upholding the Preliminary Injunction and remanded the matter. Upon remand, defendants filed a motion to dismiss which was denied and the plaintiffs filed a motion to amend their complaint and amend the class definition to expand the class to Medicaid beneficiaries affected by a subsequent change in PCS policy effective January 1, 2013. The District Court allowed both of plaintiffs' motions and defendants are in the process of answering the amended complaint. At this stage of the litigation, the likelihood of any potential liability cannot be determined as "probable" or "remote". Likewise, any potential liability to the State cannot be reasonably estimated.

State Employees Association of North Carolina (SEANC) v. State; Stone v. State – Diversion of Employer's Retirement System Contribution. On May 22, 2001, SEANC filed an action in Wake County Superior Court demanding repayment of approximately \$129 million in employer retirement contributions to the Retirement Systems. The Governor withheld, and subsequently used, the withheld funds under his constitutional authority to balance the state budget. The trial court dismissed the action on May 23, 2001, and the North Carolina Court of Appeals affirmed this dismissal on December 3, 2002. The Supreme Court, on June 13, 2003, reversed the Court of Appeals on issues related to class standing and remanded with instructions to consider procedural issues raised but not addressed by the Court of Appeals. The Court of Appeals remanded the case to the Superior Court of Wake County without opinion and without considering any remaining issues.

In June 2002, the *Stone* case was filed in Wake County Superior Court on behalf of individual state employees and retirees seeking repayment of the withheld employer contribution and a prohibition against future diversions. A class comprised of all members of the Retirement System has been certified and the case is currently proceeding through class notification and toward trial. On September 6, 2006, the trial court issued an interlocutory order in response to cross-motions for summary judgment. The court's order found the diversion of funds to be in violation of the Constitution, but did not direct any repayment of funds, reserving the question of repayment for consideration, if necessary after appeal of the constitutional issues. On August 5, 2008, the Court of Appeals affirmed the Superior Court order. Both sides gave notice of appeal and filed petitions for discretionary review with the North Carolina Supreme Court. On June 17, 2009, the Supreme Court dismissed the appeals and denied the petitions for discretionary review.

The case now returns to the Superior Court for consideration of damages. Because the General Assembly has repaid the principal amount withheld from the Retirement System, consideration will focus on lost interest and earnings, if any. A new judge will need to be appointed to hear the case, as the judge previously assigned to the case is now employed by the North Carolina Department of Transportation.

State of North Carolina v. Philip Morris, Inc., et al., 98 CVS 14377 — Master Settlement Agreement (MSA) Payments. On April 20, 2006, the State of North Carolina filed a Motion for Declaratory Order in the North Carolina Business Court against defendants Philip Morris, Inc., R. J. Reynolds Tobacco Company, and Lorillard Tobacco Company. The Motion is seeking a declaration that (1) in 2003, North Carolina continuously had a Qualifying Statute in full force and effect and "diligently enforced" its provisions throughout that year in accordance with the MSA; (2) North Carolina is not subject to a Non-Participating Manufacturers' Adjustment for 2003; and (3) defendants are obligated not to withhold or pay into a disputed payments account any payments due, or seek any offset of any payments made, on the basis that North Carolina is subject to a Non-Participating Manufacturers' Adjustment for 2003. If the State is unable to

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ultimately prevail in the diligent enforcement litigation, the State may be unable to recover a portion of this year's MSA payment. On December 4, 2006, Judge Tennille allowed the defendant's motion to compel arbitration of these issues. The Court of Appeals upheld the Order and on March 19, 2009, the State's Petition to the North Carolina Supreme Court was denied. The State participated in a national arbitration process with the tobacco companies and all other MSA states, but has entered into a settlement agreement which, unless overturned, provides a lump sum to the State in 2013 balanced by an almost equal aggregate in corresponding reductions in the next five annual payments.

During fiscal year 2013, the lump sum of \$119.54 million was released under the Tobacco Master Settlement Agreement for the benefit of the State of North Carolina, above the State's regular annual MSA payment. Of that amount, \$94.9 million was received by the State. The remaining \$24.64 million was received by the nonprofit corporation Golden LEAF, Inc. but on March 26, 2014 was transferred to the State.

Under the settlement, over years 2013-2017, approximately \$98.1 million will be credited back to the Participating Manufacturers against their annual MSA payments to the State. During the 2013 fiscal year approximately \$49.05 million was credited to the Participating Manufacturers, by the application of a credit against that year's April annual MSA payment owed to the State. The remaining \$49.05 million will be applied in equal amounts of approximately \$12.5 million as credits to the 2014-2017 MSA payments owed the State. Also for 2014 and 2015, there will be a "transition year" credit of \$4.5 million applied for sales years 2013 and 2014.

Other Litigation. The State is involved in numerous other claims and legal proceedings, many of which are normal for governmental operations. A review of the status of outstanding lawsuits involving the State by the North Carolina Attorney General did not disclose other proceedings that are expected to have a material adverse effect on the financial position of the State.

C. Federal Grants

The State receives significant financial assistance from the Federal Government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Under the terms of the grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures. Any disallowance as a result of questioned costs could become a liability of the State. As of June 30, 2014, the State is unable to estimate what liabilities may result from such audits.

D. Highway Construction

The State has placed on deposit in court \$159.84 million for a potential liability to property owners for contested rights-of-way acquisition costs in condemnation proceedings. The State may also be liable for an additional \$49.8 million in these proceedings. Also, the State is contingently liable for outstanding contractors' claims in the amount of \$54.52 million. These costs have not been included in project-to-date costs.

E. Construction and Other Commitments

At June 30, 2014, the State had commitments of \$3.594 billion for construction of highway infrastructure. Of this amount, \$3.05 billion relates to the Highway Fund, \$8 million relates to the NC Turnpike Authority, and \$536 million relates to the Highway Trust Fund. The other commitments for construction and improvements of state government facilities totaled \$514.85 million (including \$406.72 million for the Department of Environment and Natural Resources and \$74.33 million for the Division of Mental Health within the Department of Health and Human Services).

At June 30, 2014, the University of North Carolina System (component unit) had outstanding construction commitments of \$551.97 million (including \$112.27 million for UNC Healthcare System, \$96.37 million for University of North Carolina at Charlotte, \$85.02 million for University of North Carolina at Chapel Hill, \$84.57 million for University of North Carolina at Greensboro, \$55.8 million for East Carolina University, and \$34.58 million for North Carolina State University).

At June 30, 2014, community colleges (component units) had outstanding construction commitments of \$199.83 million (including \$57.7 million for Cape Fear Community College, \$57.03 million for Wake Technical Community College, \$24.88 million for Central Piedmont Community College, and \$18.7 million for Pitt Community College).

The State Treasurer has entered into contracts with external fund managers of the Real Estate Investment, Alternative Investment, Inflation Protection Investment, and Credit Investment portfolios, where the State Treasurer agrees to commit capital to these investments. The portfolios are part of the State Treasurer's Investment Pool as described in section A of Note 3. As of June 30, 2014, the State Treasurer has \$2.36 billion in unfunded commitments in the Real Estate Investment portfolio which includes 33.72 million euro

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and 176.52 million pounds sterling converted to U.S. dollar equivalent. In the Alternative Investment portfolio, the State Treasurer has unfunded commitments of \$2.37 billion which include 167 million euro and 55.73 million pounds sterling converted to the U.S. dollar equivalent. At June 30, 2014, there were also unfunded commitments in the Inflation Protection Investment and Credit Investment portfolios in the amount of \$2.15 billion and \$579.17 million, respectively. In addition, the Escheat Investment Account had unfunded commitments of \$5.7 million at June 30, 2014. These consist of commitments under the private equity investment partnerships described in Section A of Note 3.

The UNC Investment Fund, LLC (UNC Investment Fund) at the University of North Carolina at Chapel Hill has entered into agreements with limited partnerships to invest capital. These agreements represent the funding of capital over a designated period of time and are subject to adjustments. As of June 30, 2014, the UNC Investment Fund had approximately \$705.91 million unfunded committed capital.

F. Tobacco Settlement

In 1998, North Carolina, along with 45 other states, signed the Master Settlement Agreement (MSA) with the nation's largest tobacco companies to settle existing and potential claims of the states for damages arising from the use of the companies' tobacco products. Under the MSA, the tobacco companies are required to adhere to a variety of marketing, advertising, lobbying, and youth access restrictions, support smoking cessation and prevention programs, and provide payments to the states in perpetuity. The amount that North Carolina will actually receive from this settlement remains uncertain, but projections are that the State will receive approximately \$4.74 billion from the inception of the agreement through the year 2025. Since the inception, the State has received approximately \$2.57 billion in MSA payments. In the early years of MSA, participating states received initial payments that were distinct from annual payments. The initial payments were made for five years: 1998 and 2000 through 2003. The annual payments began in 2000 and will continue indefinitely. However, these payments are subject to a number of adjustments including an inflation adjustment and a volume adjustment. Some adjustments (e.g., inflation) should result in an increase in the payments while others (e.g., domestic cigarette sales volume) may decrease the payments. Also, future payments may be impacted by continuing and potential litigation against the tobacco industry and changes in the financial condition of the tobacco companies. At year-end, the State recognizes a receivable and revenue in the government wide statements for the tobacco settlement based on the underlying domestic shipment of cigarettes. This accrual estimate is based on the projected payment schedule in the MSA adjusted for historical payment trends.

G. Other Contingencies

The Civil Rights Division of the U.S. Department of Justice investigated the state's mental health system and found the State to be in violation of Title II of the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. Sec 12131, and the following, as interpreted by the U.S. Supreme Court in *Olmstead v. L.C.*, 527 U.S. 581 (1999), and Section 504 of the Rehabilitation Act of 1973 (Rehab Act), 29 U.S.C. Sec 794(a). On August 23, 2012, the Civil Rights Division and the State entered into an agreement that addresses the corrective measures that will ensure that the State will willingly meet the requirements of the ADA, Section 504 of the Rehab Act, and the *Olmstead* decision. Through the agreement, it is intended that the goals of community integration and self-determination will be achieved. The State is responsible for determining and identifying the amount of appropriation funding that is needed to fulfill this agreement which will be phased in over the next eight years. In House Bill 950 [Session Law 2012-142 Section 10.23A.(e)], \$10.3 million was appropriated as recurring funds to support the Department of Health and Human Services in the implementation of its plan for transitioning individuals with severe mental illness to community living arrangements, including establishing a rental assistance program. In Senate Bill 402 [Session Law 2013-360], additional money was appropriated in the expansion budget for \$3.83 million for 2013-14 and \$9.39 million for 2014-15. Both parties of the agreement have selected a reviewer to monitor the State's implementation of this agreement. The reviewer will have full authority to independently assess, review, and report annually on the State's implementation of and compliance with the provisions of this agreement. The potential liability to the State cannot be reasonably estimated. If the State fails to comply with this agreement, the United States can seek an appropriate judicial remedy. To date, the State has demonstrated good faith effort in the early stage of the settlement agreement by providing sufficient funding essential to the initial development of the services.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

CHANGES RESULTING FROM ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2014, the State implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 65, *Items Previously Reported as Assets and Liabilities*,
- Statement No. 66, *Technical Corrections—2012 (an amendment of GASB Statements No. 10 and No. 62)*,
- Statement No. 67, *Financial Reporting for Pension Plans (an amendment of GASB Statement No. 25)*, and
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as expenses or revenues, certain items that were previously reported as assets and liabilities. Statement 65 also introduces changes that impact the determination of the major fund calculations and limits the use of the term “deferred” in financial statement presentations. The implementation of Statement 65 resulted in the following significant changes: 1) deferred losses on refundings are now classified as deferred outflows of resources, 2) debt issuance costs, except any portion related to prepaid insurance costs, are now recognized as expenses in the period incurred, 3) State aid to a component unit that cannot be spent until a future period (but all other eligibility requirements, if any, have been met) is now classified as a deferred outflow of resources by the State and a deferred inflow of resources by the recipient component unit, and 4) unavailable revenues of governmental funds are now classified as deferred inflows of resources.

Statement No. 67 replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements meeting certain criteria. The new Statement applies primarily to defined benefit pension plans and builds upon the previous framework for financial reporting. Statement 67 improves financial reporting through enhanced note disclosures and new required supplementary information (RSI) schedules. For example, it requires that pension plans present information about the total pension liability, net position, net pension liability, contributions, and the annual money-weighted rates of return in the notes to the financial statements and in RSI. The Statement also details a less extensive set of note disclosure requirements for defined contribution pension plans.

Statements No. 66 and No. 70 did not result in any significant changes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23: FUND EQUITY RECLASSIFICATIONS AND RESTATEMENTS

The following table reconciles the beginning fund equity as previously reported to the beginning fund equity as restated (dollars in thousands). The adjustment in the "Reporting Entity Change" column is the result of a change in status of the Rural Economic Development Center from a component unit of the State to a related organization. The adjustments in the "Reclassifications" column result from the reclassification of an other governmental fund to the General Fund due to a statutory change and reclassification of deferred loss on refunding from a deduction from bonds payable to a deferred outflow of resources as required by GASB Statement No. 65, *Items Previously Reports as Assets and Liabilities* (see Note 22). The amounts in the "Other Adjustments" column are primarily due to the correction of errors related to prior periods.

	July 1, 2013 Fund Equity as Previously Reported	Reporting Entity Change	Reclassifications	Other Adjustments	July 1, 2013 Fund Equity as Restated
Primary Government					
Major Governmental Funds:					
General Fund	\$ 1,279,935	\$ —	\$ 26,011	\$ (8,083)	\$ 1,297,863
Highway Fund	332,460	—	—	11,526	343,986
Highway Trust Fund	620,753	—	—	(11,526)	609,227
Other Governmental Funds:					
Special Revenue Funds	879,651	—	(26,011)	59,835	913,475
Capital Projects Funds	565,240	—	—	75	565,315
Permanent Funds	111,432	—	—	—	111,432
Total Governmental Funds	<u>3,789,471</u>	<u>—</u>	<u>—</u>	<u>51,827</u>	<u>3,841,298</u>
Internal Service Funds	217,818	—	—	—	217,818
Government-wide adjustments:					
Equity interest in component unit	163,748	—	—	—	163,748
Capital assets	42,698,455	—	—	(38,443)	42,660,012
Deferred loss on refunding	—	—	133,808	—	133,808
Unavailable revenue	234,792	—	—	(1,885)	232,907
Long-term liabilities	(8,844,724)	—	(133,808)	9	(8,978,523)
Accrued interest payable	(70,902)	—	—	(290)	(71,192)
Pension assets	4,831	—	—	—	4,831
Total Government-wide adjustments	<u>34,186,200</u>	<u>—</u>	<u>—</u>	<u>(40,609)</u>	<u>34,145,591</u>
Total Governmental Activities	<u>38,193,489</u>	<u>—</u>	<u>—</u>	<u>11,218</u>	<u>38,204,707</u>
Business-type Activities - Enterprise Funds:					
Unemployment Compensation Fund	(1,563,981)	—	—	(1)	(1,563,982)
EPA Revolving Loan Fund	1,304,726	—	—	—	1,304,726
N.C. Turnpike Authority	286,423	—	—	(17,998)	268,425
Other enterprise funds	151,550	—	—	13	151,563
Total Business-type Activities - Enterprise Funds	<u>178,718</u>	<u>—</u>	<u>—</u>	<u>(17,986)</u>	<u>160,732</u>
Fiduciary Funds					
Pension and Other Employee Benefit Trust Funds	88,513,597	—	—	63,145	88,576,742
Investment Trust Funds	1,008,451	—	—	(218)	1,008,233
Private Purpose Trust Funds	1,040,075	—	—	—	1,040,075
Total Fiduciary Funds	<u>90,562,123</u>	<u>—</u>	<u>—</u>	<u>62,927</u>	<u>90,625,050</u>
Total Primary Government	<u>\$128,934,330</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 56,159</u>	<u>\$128,990,489</u>
Component Units					
University of North Carolina System	\$ 15,516,681	\$ —	\$ —	\$ (415)	\$ 15,516,266
Community Colleges	3,083,721	—	—	4,412	3,088,133
State Health Plan	556,052	—	—	—	556,052
Other component units	2,897,427	(149,745)	—	(80,162)	2,667,520
Total Component Units	<u>\$ 22,053,881</u>	<u>\$ (149,745)</u>	<u>\$ —</u>	<u>\$ (76,165)</u>	<u>\$ 21,827,971</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 24: SUBSEQUENT EVENTS

Primary Government*Limited Obligation Refunding Bonds*

On November 19, 2014, the State of North Carolina issued \$299.02 million of tax-exempt Limited Obligation Refunding Bonds, Series 2014C. The bonds carry an all-in true interest cost of 2.55% and have an average life of 8.93 years. The bonds are dated November 19, 2014 and bear interest from that date. Interest on the bonds will be payable semiannually on May 1 and November 1, commencing May 1, 2015. The bonds will mature from May 1, 2015 through May 1, 2017 and May 1, 2019 through May 1, 2028 and were issued at coupon rates of 2%, 3% and 5%. The bonds maturing on or after May 1, 2025 are subject to redemption prior to maturity. The State issued the refunding bonds for the purpose of achieving debt service savings through the refunding of certain maturities of the North Carolina Infrastructure Finance Corporation: Capital Improvement Certificates of Participation, Series 2005A, Series 2006A and 2007A; Repairs and Renovations Certificates of Participation, Series 2006A; and through the refunding of certain maturities of the State of North Carolina Capital Improvement Limited Obligation Bonds, Series 2008A and 2009A. The refunding bonds were also issued to pay certain costs incurred in connection with the execution and delivery of the bonds. The bonds refunded totaled \$309.2 million with an average interest rate of 4.92%. The net proceeds were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability was removed from the statement of net position. The Series 2014C refunding reduced total debt service payments by approximately \$21.08 million and resulted in an economic gain of approximately \$17.78 million.

Federal Repayable Advances

For the period July 1, 2014 through November 21, 2014, the State received repayable advances from the Federal Unemployment Account (FUA) in the amount of \$89.53 million. Proceeds from the advances were used to pay unemployment benefits. Interest began accruing January 1, 2014 at an interest rate of 2.39%. Since July 1, 2014 total revenue collected from unemployment tax contributions and other State sources (per Session Law 2013-2) of \$605.38 million was used to pay down the principal on the advances. At November 21, 2014 the outstanding balance of the FUA advances was \$465.14 million.

Component Units*University of North Carolina System – North Carolina State University – Sale of Hofmann Forest*

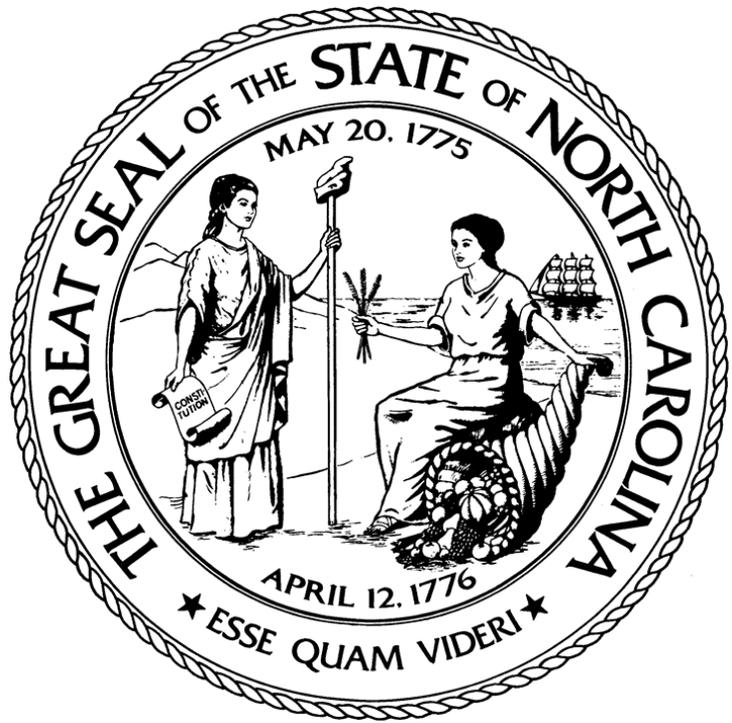
On September 2, 2014, the Board of Trustees of the Endowment Fund entered into a modified agreement for the sale of Hofmann Forest. The agreement provides for the North Carolina State Endowment Fund to receive \$140 million from the sale, with the proceeds to be held for the benefit of the College of Natural Resources. The North Carolina State University believes the sale is likely to occur in fiscal year 2015.

University of North Carolina System – North Carolina State University – Grant

On November 19, 2014, North Carolina State University was awarded a \$69.6 million grant from the U.S. Department of Energy Office of Energy Efficiency and Renewable Energy. The grant will be received over five years and requires matching funding of \$76.1 million.

University of North Carolina System – University of North Carolina at Chapel Hill – Taxable General Revenue Refunding Bonds

The University of North Carolina at Chapel Hill issued \$265.6 million in Series 2014 taxable General Revenue Refunding Bonds. The bonds are dated October 9, 2014 and bear interest from that date with an average interest rate of 3.82%. Interest on the bonds will be payable semiannually on each December 1 and June 1, commencing December 1, 2014. The bonds were issued to provide funds for the advance refunding of \$250 million in par value of the General Revenue Bonds, Series 2005A with an average interest rate of 4.99%. The net proceeds of the refunding bonds along with other resources were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability was removed from the statement of net position. This advance refunding was undertaken to reduce total debt service payments by \$26.93 million over the next 21 years and resulted in an estimated net present value economic gain of \$21.9 million.



REQUIRED
SUPPLEMENTARY
INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS

(Dollars in Thousands)

	<u>2014</u>
Teachers' and State Employees'	
Total pension liability	
Service Cost	\$ 1,556,027
Interest	4,648,995
Changes of benefit terms	355,224
Differences between expected and actual experience	(345,392)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(3,989,397)</u>
Net change in total pension liability	<u>2,225,457</u>
Total pension liability - beginning	<u>64,562,739</u>
Total pension liability - ending (a)	<u><u>\$ 66,788,196</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 1,177,341
Contributions-member	825,548
Net investment income	9,121,005
Benefit payments, including refunds of member contributions	(3,989,397)
Administrative expense	(10,762)
Other	<u>320</u>
Net change in plan fiduciary net position	<u>7,124,055</u>
Plan fiduciary net position - beginning	<u>58,491,720</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 65,615,775</u></u>
TSERS's net pension liability - ending (a) - (b)	<u><u>\$ 1,172,421</u></u>

Local Governmental Employees'

Total pension liability	
Service Cost	\$ 654,735
Interest	1,555,958
Changes of benefit terms	(7,790)
Differences between expected and actual experience	(80,590)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(1,106,799)</u>
Net change in total pension liability	<u>1,015,514</u>
Total pension liability - beginning	<u>21,360,154</u>
Total pension liability - ending (a)	<u><u>\$ 22,375,668</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 413,175
Contributions-member	346,961
Net investment income	3,161,964
Benefit payments, including refunds of member contributions	(1,106,799)
Administrative expense	(3,974)
Other	<u>3,297</u>
Net change in plan fiduciary net position	<u>2,814,624</u>
Plan fiduciary net position - beginning	<u>20,112,962</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 22,927,586</u></u>
LGERS's net pension asset - ending (a) - (b)	<u><u>\$ (551,918)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS

(Dollars in Thousands)

	<u>2014</u>
Firefighters' and Rescue Squad Workers'	
Total pension liability	
Service Cost	\$ 5,710
Interest	29,394
Changes of benefit terms	8,770
Differences between expected and actual experience	2,714
Changes of assumptions	(16,688)
Benefit payments, including refunds of member contributions	<u>(25,614)</u>
Net change in total pension liability	<u>4,286</u>
Total pension liability - beginning	412,537
Total pension liability - ending (a)	<u><u>\$ 416,823</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 14,627
Contributions-member	2,781
Net investment income	53,842
Benefit payments, including refunds of member contributions	(25,614)
Administrative expense	(1,045)
Other	<u>2</u>
Net change in plan fiduciary net position	<u>44,593</u>
Plan fiduciary net position - beginning	344,812
Plan fiduciary net position - ending (b)	<u><u>\$ 389,405</u></u>
FRSWPF's net pension liability - ending (a) - (b)	<u><u>\$ 27,418</u></u>
Registers of Deeds'	
Total pension liability	
Service Cost	\$ 563
Interest	1,342
Changes of benefit terms	-
Differences between expected and actual experience	302
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(1,666)</u>
Net change in total pension liability	<u>541</u>
Total pension liability - beginning	23,602
Total pension liability - ending (a)	<u><u>\$ 24,143</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 817
Contributions-member	-
Net investment income	2,714
Benefit payments, including refunds of member contributions	(1,666)
Administrative expense	(18)
Other	<u>-</u>
Net change in plan fiduciary net position	<u>1,847</u>
Plan fiduciary net position - beginning	44,962
Plan fiduciary net position - ending (b)	<u><u>\$ 46,809</u></u>
RODSPF's net pension asset - ending (a) - (b)	<u><u>\$ (22,666)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS

(Dollars in Thousands)

	<u>2014</u>
Consolidated Judicial	
Total pension liability	
Service Cost	\$ 16,637
Interest	39,405
Changes of benefit terms	3,031
Differences between expected and actual experience	(2,484)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(35,428)
Net change in total pension liability	<u>21,161</u>
Total pension liability - beginning	544,600
Total pension liability - ending (a)	<u><u>\$ 565,761</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 21,390
Contributions-member	5,598
Net investment income	74,294
Benefit payments, including refunds of member contributions	(35,428)
Administrative expense	(48)
Other	3
Net change in plan fiduciary net position	<u>65,809</u>
Plan fiduciary net position - beginning	473,755
Plan fiduciary net position - ending (b)	<u><u>\$ 539,564</u></u>
CJRS's net pension liability - ending (a) - (b)	<u><u>\$ 26,197</u></u>
<hr/>	
Legislative	
Total pension liability	
Service Cost	\$ 747
Interest	1,678
Changes of benefit terms	146
Differences between expected and actual experience	762
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(2,614)
Net change in total pension liability	<u>719</u>
Total pension liability - beginning	23,699
Total pension liability - ending (a)	<u><u>\$ 24,418</u></u>
Plan fiduciary net position	
Contributions-employer	\$ -
Contributions-member	253
Net investment income	4,293
Benefit payments, including refunds of member contributions	(2,614)
Administrative expense	(37)
Other	-
Net change in plan fiduciary net position	<u>1,895</u>
Plan fiduciary net position - beginning	28,156
Plan fiduciary net position - ending (b)	<u><u>\$ 30,051</u></u>
LRS's net pension asset - ending (a) - (b)	<u><u>\$ (5,633)</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

(Dollars in Thousands)

	<u>2014</u>
North Carolina National Guard	
Total pension liability	
Service Cost	\$ 512
Interest	9,330
Changes of benefit terms	5,752
Differences between expected and actual experience	192
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(7,502)</u>
Net change in total pension liability	<u>8,284</u>
Total pension liability - beginning	<u>131,922</u>
Total pension liability - ending (a)	<u><u>\$ 140,206</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 7,007
Contributions-member	-
Net investment income	14,942
Benefit payments, including refunds of member contributions	(7,502)
Administrative expense	(73)
Other	<u>1</u>
Net change in plan fiduciary net position	<u>14,375</u>
Plan fiduciary net position - beginning	<u>95,655</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 110,030</u></u>
NGPF's net pension liability - ending (a) - (b)	<u><u>\$ 30,176</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY
COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS

Last Two Fiscal Years

(Dollars in Thousands)

Teachers' and State Employees'	<u>2014</u>	<u>2013</u>
Total pension liability	\$ 66,788,196	\$ 64,562,739
Plan fiduciary net position	<u>(65,615,775)</u>	<u>(58,491,720)</u>
Net pension liability	<u>\$ 1,172,421</u>	<u>\$ 6,071,019</u>
Plan fiduciary net position as a percentage of the total pension liability	98.24%	90.60%
Covered-employee payroll	\$ 13,548,227	\$ 13,451,164
Net pension liability as a percentage of covered-employee payroll	8.65%	45.13%

**Local Governmental
Employees'**

Total pension liability	\$ 22,375,668	\$ 21,360,154
Plan fiduciary net position	<u>(22,927,586)</u>	<u>(20,112,962)</u>
Net pension liability (asset)	<u>\$ (551,918)</u>	<u>\$ 1,247,192</u>
Plan fiduciary net position as a percentage of the total pension liability	102.47%	94.16%
Covered-employee payroll	\$ 5,553,383	\$ 5,421,364
Net pension liability (asset) as a percentage of covered-employee payroll	(9.94%)	23.01%

**Firefighters' and Rescue
Squad Workers'**

Total pension liability	\$ 416,823	\$ 412,537
Plan fiduciary net position	<u>(389,405)</u>	<u>(344,812)</u>
Net pension liability	<u>\$ 27,418</u>	<u>\$ 67,725</u>
Plan fiduciary net position as a percentage of the total pension liability	93.42%	83.58%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A

Registers of Deeds'

Total pension liability	\$ 24,143	\$ 23,602
Plan fiduciary net position	<u>(46,809)</u>	<u>(44,962)</u>
Net pension asset	<u>\$ (22,666)</u>	<u>\$ (21,360)</u>
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%
Covered-employee payroll	N/A	N/A
Net pension asset as a percentage of covered-employee payroll	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY
SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS

Last Two Fiscal Years

(Dollars in Thousands)

Consolidated Judicial	<u>2014</u>	<u>2013</u>
Total pension liability	\$ 565,761	\$ 544,600
Plan fiduciary net position	<u>(539,564)</u>	<u>(473,755)</u>
Net pension liability	\$ 26,197	\$ 70,845
Plan fiduciary net position as a percentage of the total pension liability	95.37%	86.99%
Covered-employee payroll	\$ 76,367	\$ 71,533
Net pension liability as a percentage of covered-employee payroll	34.30%	99.04%

Legislative

Total pension liability	\$ 24,418	\$ 23,699
Plan fiduciary net position	<u>(30,051)</u>	<u>(28,156)</u>
Net pension asset	\$ (5,633)	\$ (4,457)
Plan fiduciary net position as a percentage of the total pension liability	123.07%	118.81%
Covered-employee payroll	\$ 3,608	\$ 3,600
Net pension asset as a percentage of covered-employee payroll	(156.13)%	(123.81)%

**North Carolina
National Guard**

Total pension liability	\$ 140,206	\$ 131,922
Plan fiduciary net position	<u>(110,030)</u>	<u>(95,655)</u>
Net pension liability	<u>\$ 30,176</u>	<u>\$ 36,267</u>
Plan fiduciary net position as a percentage of the total pension liability	78.48%	72.51%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS

Last Ten Fiscal Years

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Teachers' and State Employees'					
Actuarially determined contribution	\$ 1,177,341	\$ 1,078,783	\$ 1,015,762	\$ 926,429	\$ 492,779
Contractually required contribution	1,177,341	1,120,482	1,015,762	680,670	492,779
Contributions in relation to the actuarially determined contribution	1,177,341	1,120,482	1,015,762	680,670	492,779
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (41,699)</u>	<u>\$ -</u>	<u>\$ 245,759</u>	<u>\$ -</u>
Covered Payroll	\$ 13,548,227	\$ 13,451,164	\$ 13,652,715	\$ 13,806,691	\$ 13,803,324
Contributions as a percentage of covered-employee payroll	8.69%	8.33%	7.44%	4.93%	3.57%
Local Governmental Employees'					
Actuarially determined contribution	\$ 397,462	\$ 370,152	\$ 376,340	\$ 342,910	\$ 230,121
Contractually required contribution	413,175	383,889	389,399	361,998	273,337
Contributions in relation to the actuarially determined contribution	413,175	383,889	389,399	361,998	273,337
Contribution excess	<u>\$ (15,713)</u>	<u>\$ (13,737)</u>	<u>\$ (13,059)</u>	<u>\$ (19,088)</u>	<u>\$ (43,216)</u>
Covered Payroll	\$ 5,553,383	\$ 5,421,364	\$ 5,402,147	\$ 5,329,651	\$ 5,320,927
Contributions as a percentage of covered-employee payroll	7.44%	7.08%	7.21%	6.79%	5.14%
Firefighters' and Rescue Squad Workers'					
Actuarially determined contribution	\$ 14,620	\$ 14,074	\$ 14,389	\$ 12,243	\$ 10,074
Contractually required contribution	14,627	15,447	14,398	10,110	10,080
Contributions in relation to the actuarially determined contribution	14,627	15,447	14,398	10,110	10,080
Contribution deficiency (excess)	<u>\$ (7)</u>	<u>\$ (1,373)</u>	<u>\$ (9)</u>	<u>\$ 2,133</u>	<u>\$ (6)</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Registers of Deeds'					
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contractually required contribution	817	937	843	772	736
Contributions in relation to the actuarially determined contribution	817	937	843	772	736
Contribution excess	<u>\$ (817)</u>	<u>\$ (937)</u>	<u>\$ (843)</u>	<u>\$ (772)</u>	<u>\$ (736)</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Changes in benefit terms, methods and assumptions are presented in Notes to the Required Supplementary Information (RSI) schedules following the pension RSI tables.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 492,689	\$ 429,064	\$ 341,476	\$ 315,225	\$ 255,137
492,689	468,669	371,476	315,225	255,137
492,689	468,669	371,476	315,225	255,137
<u>\$ -</u>	<u>\$ (39,605)</u>	<u>\$ (30,000)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,663,363	\$ 13,976,026	\$ 14,592,991	\$ 13,471,154	\$ 11,757,465
3.36%	3.35%	2.55%	2.34%	2.17%

\$ 257,982	\$ 241,533	\$ 225,950	\$ 209,453	\$ 206,834
271,363	256,612	241,094	229,399	213,873
271,363	256,612	241,094	229,399	213,873
<u>\$ (13,381)</u>	<u>\$ (15,079)</u>	<u>\$ (15,144)</u>	<u>\$ (19,946)</u>	<u>\$ (7,039)</u>
\$ 5,284,862	\$ 4,948,042	\$ 4,693,423	\$ 4,484,358	\$ 4,247,359
5.13%	5.19%	5.14%	5.12%	5.04%

\$ 9,757	\$ 8,734	\$ 8,440	\$ 7,926	\$ 7,521
9,762	8,734	8,440	7,926	7,521
9,762	8,734	8,440	7,926	7,521
<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

\$ -	\$ -	\$ -	\$ -	\$ 29
754	926	3,150	3,219	3,019
754	926	3,150	3,219	3,019
<u>\$ (754)</u>	<u>\$ (926)</u>	<u>\$ (3,150)</u>	<u>\$ (3,219)</u>	<u>\$ (2,990)</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Ten Fiscal Years

(Dollars in Thousands)

Consolidated Judicial	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 21,390	\$ 18,992	\$ 18,956	\$ 13,322	\$ 10,740
Contractually required contribution	21,390	18,992	18,956	10,457	10,740
Contributions in relation to the actuarially determined contribution	21,390	18,992	18,956	10,457	10,740
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,865</u>	<u>\$ -</u>
Covered Payroll	\$ 76,367	\$ 71,533	\$ 75,673	\$ 69,206	\$ 71,079
Contributions as a percentage of covered-employee payroll	28.01%	26.55%	25.05%	15.11%	15.11%
Legislative					
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contractually required contribution	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,608	\$ 3,600	\$ 3,314	\$ 4,029	\$ 3,657
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
North Carolina National Guard					
Actuarially determined contribution	\$ 5,349	\$ 5,667	\$ 6,075	\$ 5,719	\$ 5,682
Contractually required contribution	7,007	7,007	7,007	7,007	7,008
Contributions in relation to the actuarially determined contribution	7,007	7,007	7,007	7,007	7,008
Contribution deficiency (excess)	<u>\$ (1,658)</u>	<u>\$ (1,340)</u>	<u>\$ (932)</u>	<u>\$ (1,288)</u>	<u>\$ (1,326)</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Changes in benefit terms, methods and assumptions are presented in Notes to the Required Supplementary Information (RSI) schedules following the pension RSI tables.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 10,017	\$ 8,214	\$ 7,300	\$ 6,695	\$ 6,907
10,603	40,844	8,090	6,989	6,907
10,603	10,844	8,090	6,989	6,907
<u>\$ (586)</u>	<u>\$ (2,630)</u>	<u>\$ (790)</u>	<u>\$ (294)</u>	<u>\$ -</u>
\$ 80,265	\$ 64,678	\$ 64,257	\$ 55,512	\$ 54,861
13.21%	16.77%	12.59%	12.59%	12.59%

\$ -	\$ -	\$ -	\$ -	\$ -
-	209	-	-	-
-	209	-	-	-
<u>\$ -</u>	<u>\$ (209)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,686	\$ 3,614	\$ 3,714	\$ 3,657	\$ 3,671
0.00%	5.78%	0.00%	0.00%	0.00%

\$ 6,248	\$ 6,232	\$ 7,324	\$ 5,944	\$ 1,412
5,892	7,007	7,007	6,042	1,564
5,892	7,007	7,007	6,042	1,564
<u>\$ 356</u>	<u>\$ (775)</u>	<u>\$ 317</u>	<u>\$ (98)</u>	<u>\$ (152)</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
ALL DEFINED BENEFIT PENSION TRUST FUNDS**

Annual money-weighted rate of return, net of investment expense	2014
<i>Cost-Sharing, Multiple Employer</i>	
Teachers' and State Employees'	15.88%
Local Governmental Employees'	15.86%
Firefighters' and Rescue Squad Workers'	15.62%
Registers of Deeds'	6.04%
<i>Single-Employer</i>	
Consolidated Judicial	15.87%
Legislative	15.91%
North Carolina National Guard	15.63%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ALL DEFINED BENEFIT PENSION TRUST FUNDS

June 30, 2014

(Dollars in Thousands)

<i>Retirement System</i>	<i>Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded AAL (UAAL) (b) - (a)</i>	<i>Funded Ratio (a) / (b)</i>	<i>Annual Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll ((b-a)/c)</i>
		(a)	(b)	NOTE 1		(c)	
Teachers' and State Employees'	12-31-13	\$ 62,363,807	\$ 65,805,555	\$ 3,441,748	94.8%	\$ 12,834,121	26.8%
	12-31-12	59,911,833	63,630,278	3,718,445	94.2%	12,774,187	29.1%
	12-31-11	58,125,011	61,846,697	3,721,686	94.0%	12,801,046	29.1%
Local Governmental Employees'	12-31-13	\$ 21,498,147	\$ 21,537,813	\$ 39,666	99.8%	\$ 5,241,858	0.8%
	12-31-12	20,295,239	20,338,785	43,546	99.8%	5,123,481	0.9%
	12-31-11	19,326,359	19,373,800	47,441	99.8%	5,106,766	0.9%
Firefighters' and Rescue Squad Workers'	12-31-13	\$ 364,836	\$ 413,054	\$ 48,218	88.3%	N/A	N/A
	6-30-12	338,885	403,817	64,932	83.9%	N/A	N/A
	6-30-11	327,984	391,837	63,853	83.7%	N/A	N/A
Registers of Deeds'	12-31-13	\$ 46,406	\$ 24,064	\$ (22,342)	192.8%	\$ 5,960	(374.8)%
	12-31-12	44,996	23,517	(21,479)	191.3%	5,613	(382.7)%
	12-31-11	42,623	22,194	(20,429)	192.1%	5,875	(347.7)%
Consolidated Judicial	12-31-13	\$ 506,788	\$ 549,345	\$ 42,557	92.3%	\$ 68,457	62.2%
	12-31-12	481,286	527,585	46,299	91.2%	68,237	67.9%
	12-31-11	460,647	512,643	51,996	89.9%	67,815	76.7%
Legislative	12-31-13	\$ 29,318	\$ 24,557	\$ (4,761)	119.4%	\$ 3,579	(133.0)%
	12-31-12	29,416	23,852	(5,564)	123.3%	3,510	(158.5)%
	12-31-11	29,468	23,757	(5,711)	124.0%	3,679	(155.2)%
North Carolina National Guard	12-31-13	\$ 103,300	\$ 140,022	\$ 36,722	73.8%	N/A	N/A
	12-31-12	96,597	131,722	35,125	73.3%	N/A	N/A
	12-31-11	91,108	129,500	38,392	70.4%	N/A	N/A

NOTE 1 - A negative UAAL denotes excess actuarial assets

N/A - Not applicable

The information presented in these required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information for the latest actuarial valuations is presented on page 142.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Fiscal Year Ended June 30, 2014

Changes of benefit terms.

	<u>Cost of Living Increase</u>								
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Cost-Sharing, Multiple-Employer</u>									
Teachers' and State Employees'	1.00%	N/A	N/A	N/A	2.20%	2.20%	3.00%	2.00%	1.70%
Local Governmental Employees'	N/A	N/A	N/A	0.10%	2.15%	2.20%	2.80%	2.50%	N/A
Firefighters' and Rescue Squad Workers' (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Registers of Deeds'	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Single-Employer</u>									
Consolidated Judicial	1.00%	N/A	N/A	N/A	2.20%	2.20%	3.00%	2.00%	1.70%
Legislative	1.00%	N/A	N/A	N/A	2.20%	2.20%	3.00%	2.00%	1.70%
North Carolina National Guard (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) In 2006, the Firefighters' and Rescue Squad Workers' Pension Fund increased retirement benefits from \$161 to \$163. In 2007, retirement benefits were increased from \$163 to \$165. In 2008, retirement benefits increased from \$165 to \$167. In 2009, retirement benefits were increased from \$167 to \$170.

(2) In 2007, the National Guard Pension Fund increased basic benefits from \$75 to \$80 and total potential benefits from \$150 to \$160. In 2008, basic benefits were increased from \$80 to \$95 and total potential benefits were increased from \$160 to \$190.

N/A - not applicable

Changes of assumptions. In 2008, and again in 2012, the rates of withdrawal, mortality, service retirement and salary increase for active members and the rates of mortality for beneficiaries were adjusted to more closely reflect actual experience. Assumptions for leave conversions and loads were also revised in 2012. These assumptions pertain to the Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Firefighters' and Rescue Squad Workers' Pension Fund, the Registers of Deeds' Pension Fund, the Consolidated Judicial Retirement System and the National Guard Pension Fund.

Method and assumptions used in calculations of actuarially determined contributions.

An actuarial valuation is performed for each plan each year. The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated by the actuary as a projection of the required employer contribution for the fiscal year beginning 18 months following the date of the valuation results. See Note 12 for more information on the specific assumptions for each plan. The actuarially determined contributions for those items with covered payroll were determined using the actuarially determined contribution rate from the actuary and covered payroll as adjusted for timing differences and other factors such as differences in employee class. Other actuarially determined contributions are disclosed in the schedule as expressed by the actuary in reports to the plans.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS

June 30, 2014

(Dollars in Thousands)

	<i>Valuation Date</i>	<i>Actuarial Value of Assets (a)</i>	<i>Actuarial Accrued Liability (AAL) (b)</i>	<i>Unfunded AAL (UAAL) (b) - (a)</i>	<i>Funded Ratio (a) / (b)</i>	<i>Covered Payroll (c)</i>	<i>UAAL as a Percentage of Covered Payroll ((b-a)/c)</i>
			(1)			(2)	
Retiree Health Benefit	12-31-13	\$ 890,756	\$ 26,420,168	\$ 25,529,412	3.4%	\$ 15,080,627	169.3%
	12-31-12	765,828	23,883,107	23,117,279	3.2%	14,957,179	154.6%
	12-31-11	729,095	30,339,346	29,610,251	2.4%	14,851,954	199.4%
Disability Income	12-31-13	\$ 442,422	\$ 522,940	\$ 80,518	84.6%	\$ 14,294,017	0.6%
	12-31-12	432,667	503,192	70,525	86.0%	14,163,204	0.5%
	12-31-11	406,068	511,417	105,349	79.4%	14,139,467	0.8%

(1) The Retiree Health Benefit AAL has been prepared using the projected unit credit cost method. The Disability Income AAL has been prepared using the entry age actuarial cost method. The information presented is intended to approximate the funding progress of the plan as required by GASB Statements 43 and 45.

(2) Buck Consulting reported the unadjusted covered payroll for the DIPNC long-term disability benefits. The Segal Company reported the adjusted, annualized payroll for postemployment health benefits.

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 OTHER POSTEMPLOYMENT BENEFITS**

For the Fiscal Years Ended June 30, 2012-2014

(Dollars in Thousands)

	<i>State Fiscal Year</i>	<i>Annual Required Contribution</i>	<i>Percentage Contributed</i>
Retiree Health Benefit	2014	\$ 2,223,900	36%
	2013	2,021,026	42%
	2012	2,480,160	34%
Disability Income	2014	\$ 65,730	100%
	2013	64,065	100%
	2012	67,377	113%

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (BUDGETARY BASIS — NON-GAAP)
 GENERAL FUND**

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Individual income.....	\$ 10,996,700	\$ 10,996,700	\$ 10,272,359	\$ (724,341)
Corporate income.....	1,249,200	1,249,200	1,356,856	107,656
Sales and use.....	5,444,164	5,444,164	5,566,518	122,354
Franchise.....	660,200	660,200	697,012	36,812
Insurance.....	506,039	506,039	440,922	(65,117)
Beverage.....	309,600	309,600	305,995	(3,605)
Inheritance.....	—	—	19,276	19,276
Tobacco products.....	251,800	251,800	255,532	3,732
Other.....	153,593	153,593	170,742	17,149
Non-Tax:				
Fees, licenses and fines.....	250,200	250,200	237,095	(13,105)
Investment income.....	13,700	13,700	17,251	3,551
Disproportionate share receipts.....	110,000	110,000	110,000	—
Other.....	278,047	278,047	325,132	47,085
Transfers in.....	218,100	218,100	218,135	35
Tobacco settlement.....	162,139	162,139	164,576	2,437
Departmental:				
Federal funds.....	13,880,419	13,568,209	12,447,921	(1,120,288)
Local funds.....	747,223	796,896	749,630	(47,266)
Inter-agency grants and allocations.....	24,885	87,779	20,613	(67,166)
Intra-governmental transactions.....	3,046,685	3,454,047	3,416,881	(37,166)
Sales and services.....	132,143	153,255	154,615	1,360
Rental and lease of property.....	14,734	15,029	14,151	(878)
Fees, licenses and fines.....	1,137,182	679,995	676,273	(3,722)
Contributions, gifts and grants.....	357,707	1,107,989	1,054,503	(53,486)
Federal recovery funds.....	293,627	171,170	139,759	(31,411)
Miscellaneous.....	373,747	407,713	153,102	(254,611)
Total Revenues.....	40,611,834	41,045,564	38,984,849	(2,060,715)
Expenditures				
Current:				
General government.....	1,059,184	936,784	858,067	78,717
Primary and secondary education.....	11,579,909	11,034,615	10,258,238	776,377
Higher education.....	4,540,375	4,676,312	4,553,536	122,776
Health and human services.....	18,803,558	19,603,788	18,739,255	864,533
Environment and natural resources.....	383,326	442,469	397,368	45,101
Economic development.....	551,649	788,381	657,885	130,496
Public safety, corrections, and regulation.....	2,886,269	2,941,279	2,764,840	176,439
Agriculture.....	183,967	200,762	182,239	18,523
Capital outlay.....	27,939	27,939	27,939	—
Debt service.....	766,647	777,206	726,528	50,678
Total Expenditures.....	40,782,823	41,429,535	39,165,895	2,263,640
Excess (deficiency) of revenues over expenditures.....	(170,989)	(383,971)	(181,046)	202,925
Total Fund Balance at July 1, as restated.....	1,986,363	1,986,363	1,986,363	—
Total Fund Balance at June 30.....	\$ 1,815,374	\$ 1,602,392	\$ 1,805,317	\$ 202,925
Fund balance reserved:				
Statutory.....			\$ 696,296	
Non-reverting purposes.....			839,618	
Fund balance unreserved.....			269,403	
Total Fund Balance at June 30.....			\$ 1,805,317	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

A. General Fund Budgetary Process

The State of North Carolina operates on a biennial budget cycle with separate annual departmental certified budgets adopted by the General Assembly on the cash basis of accounting for the General Fund.

The accompanying budgetary comparison schedule discloses the annual original budget and final budget for the General Fund. Actual amounts in the schedule are presented on the budgetary basis. Since the budgetary basis differs from generally accepted accounting principles (GAAP), a reconciliation between the budgetary basis and the GAAP basis is presented in section C below.

On July 20, 2006, the General Assembly passed Session Law 2006-203, House Bill 914, the State Budget Act, to replace the Executive Budget Act. This legislation was effective July 1, 2007 and affected budget development and management by simplifying, reorganizing, updating the current budget statutes, and making changes to conform the statutes to the state constitutional provisions governing appropriations. The legislation provided that agency budgets be classified in accordance with generally accepted accounting principles as interpreted by the State Controller.

The legal level of budgetary control is essentially at the object level. However, departments and institutions may make changes at their discretion within the budget of each purpose between and among objects for supplies and materials, current obligations and services, fixed charges and other expenses, and capital outlay. Also, Chapter 116, Article 1, Part 2A of the General Statutes authorized the 16 universities within the University of North Carolina System and the North Carolina School of Science and Mathematics to apply for special responsibility status, which sets the legal level of budgetary control at the institution's budget code level. A budget code is a convention used in the State's accounting system to distinguish the type of fund and the responsible department or institution. Budget codes are also used to segregate certain purposes within departments or institutions. Institutions with special responsibility status must still have certain budget revisions, primarily those associated with unanticipated revenues, approved by the Office of State Budget and Management (OSBM). Additionally, universities must maintain programs and services in accordance with the guidelines established by the Board of Governors of the consolidated University of North Carolina System. All 16 universities and the North Carolina School of Science and Mathematics have applied for and received special responsibility status.

Generally, unexpended appropriations at the end of the fiscal year lapse and are reappropriated in the next fiscal year. However, in certain circumstances the OSBM will allow a department to carry forward appropriations for specifically identified expenditures that will be paid in the next fiscal year. This is accomplished by the department writing a check to itself and recording a budgetary expenditure. The check is deposited in the next fiscal year as a budgetary receipt.

A detailed listing of appropriation and departmental budget information is available for public inspection in the separately published "Budgetary Compliance Report" prepared by the Office of the State Controller, 3512 Bush Street, Raleigh, NC 27609-7509 and through the Office of State Budget and Management, 116 West Jones Street, Raleigh, NC 27603-8005.

B. Special Fund Budgetary Process

The major special revenue funds, which are the Highway Fund and Highway Trust Fund, do not have annual appropriated budgets.

C. Reconciliation of Budget/GAAP Reporting Differences

The *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis – Non-GAAP) – General Fund*, presents comparisons of the legally adopted budget (which is more fully described in section A, above) with actual data on a budgetary basis. Accounting principles applied to develop data on a budgetary basis differ significantly from those principles used to present financial statements in conformity with generally accepted accounting principles (GAAP). The following describes the major differences between budgetary financial data and GAAP financial data.

Basis differences. Budgetary funds are accounted for on the cash basis of accounting, while under GAAP the governmental funds use the modified accrual basis. Accrued revenues and expenditures are recognized in the GAAP financial statements.

Timing differences. A significant variance between budgetary practices and GAAP is the authorized carry forward of appropriated funds and any time-restricted appropriations. Session Law 2013-360 restricted the use of funds appropriated to the UNC-Need Based Financial Aid Forward Funding Reserve in the current fiscal year to the subsequent academic year. This time-restriction prevented the revenue/ expense from being recognized on GAAP basis, which resulted in the recognition of a deferred inflow of resources (deferred state aid) by the recipient and a deferred outflow of resources (forward funded state aid) by the provider. So while the cash is paid to the recipient in the current fiscal year, it will not be recognized as an expense (by the provider) or revenue (by the recipient) until the subsequent fiscal year.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The following table presents a reconciliation of resulting basis and timing differences in the fund balances (budgetary basis) at June 30, 2014 to the fund balances on a modified accrual basis (GAAP). Amounts are expressed in thousands.

	<u>General Fund</u>
Fund balance (budgetary basis), June 30, 2014	\$ 1,805,317
<u>Reconciling Adjustments</u>	
Basis Differences	
Accrued revenues	
Taxes receivable.....	1,785,349
Less tax refunds payable.....	(1,181,509)
Accounts receivable and other receivables.....	256,689
Federal funds, net.....	729,139
Unearned revenue.....	(318,213)
Investment market value	198
Total accrued revenues.....	<u>1,271,653</u>
Accrued expenditures	
Medical claims payable.....	(852,380)
Accounts payable, accrued liabilities, and other payables.....	<u>(997,547)</u>
Total accrued expenditures.....	<u>(1,849,927)</u>
Other Adjustments	
Notes receivable.....	39,498
Inventories.....	73,958
Timing Differences	
Authorized carryforward for specific encumbrances	167,032
Forward funded state aid.....	<u>36,005</u>
Fund balance (GAAP basis) June 30, 2014.....	<u>\$ 1,543,536</u>

D. Budgetary Reserves

The North Carolina General Assembly has established several accounts in the General Fund as reserved fund balances for budgetary purposes. Funds that are transferred to these accounts from the unreserved credit balance of the General Fund can be used only for their intended purposes and on a budgetary basis are not available for appropriation.

Savings Reserve Account (General Statute 143C-4-2). The State Controller shall reserve to the Savings Reserve Account one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year. The Savings Reserve Account is a component of the unappropriated General Fund balance. Funds reserved to the Savings Reserve Account shall be available for expenditure only upon an act of appropriation by the General Assembly. The General Assembly recognizes the need to establish and maintain sufficient reserves to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies. It is a goal of the General Assembly and the State to accumulate and maintain a balance in the Savings Reserve Account equal to or greater than eight percent (8%) of the prior year's General Fund appropriation budget.

At the beginning of fiscal year 2013-14, the balance of the Savings Reserve Account was \$651.35 million. In accordance with Session Law 2014-100, the State Controller was not authorized by the General Assembly to make a transfer from unreserved fund balance to the Savings Reserve. However, \$245 thousand was transferred per Session Law 2013-186. At the end of the fiscal year 2013-14, the balance of this reserve was \$651.60 million.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Repairs and Renovations Reserve Account (General Statute 143C-4-3). The Repairs and Renovations Reserve Account is established as a reserve in the General Fund. The State Controller shall reserve to the Repairs and Renovations Reserve Account one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year. The funds in the Repairs and Renovations Reserve Account shall be used only for the repair and renovation of State facilities and related infrastructure that are supported from the General Fund. Funds reserved to the Repairs and Renovations Reserve Account shall be available for expenditure only upon an act of appropriation by the General Assembly. In accordance with Session Law 2014-100, the State Controller was not authorized by the General Assembly to make a transfer from unreserved fund balance to the Repairs and Renovations Reserve. At the end of the fiscal year 2013-14, the balance of this reserve was \$11.59 million.

Disaster Relief Reserve (Session Law 2005-1, Senate Bill 7). During fiscal year 2004-2005, \$248.17 million was transferred to the Disaster Relief Reserve. This \$248.17 million was funded from required agency, university, and community college transfers, a Savings Reserve Account transfer, and transfers of funds from the unreserved credit balance. At the end of the fiscal year 2013-14, the balance of this reserve was \$14.99 million.

Job Development Investment Grant (JDIG) Program Reserve (General Statute 143C-9-6). In accordance with Session Law 2004-124, House Bill 1414, Section 6.12.(a), Article 1 of Chapter 143 of the General Statutes was amended by adding a new section requiring the establishment of a JDIG Reserve in the General Fund. It is the intent of the General Assembly to annually appropriate funds to this reserve in amounts sufficient to meet anticipated cash requirements for each fiscal year of the JDIG Program established pursuant to General Statute 143B-437.52. The JDIG Reserve was appropriated \$51.82 million for fiscal year 2013-14. At the end of the fiscal year 2013-14, the balance of this reserve was \$4.86 million.

One North Carolina Fund Reserve (General Statute 143C-9-8). The Office of State Budget and Management, after consultation with Joint Legislative Commission on Governmental Operations on November 4, 2003, established the One North Carolina Fund Reserve. The One North Carolina fund was appropriated \$9 million for fiscal year 2013-14 by Session Law 2013-360. At the end of the fiscal year 2013-14, the balance of this reserve was \$13.26 million.



*COMBINING FUND
STATEMENTS
AND
SCHEDULES*

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*NONMAJOR
GOVERNMENTAL
FUNDS*

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2014

Exhibit C-1

(Dollars in Thousands)

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 746,223	\$ —	\$ 750	\$ 746,973
Investments	228,946	—	—	228,946
Securities lending collateral	81,684	5,130	14,949	101,763
Receivables, net:				
Taxes receivable.....	2,183	—	—	2,183
Accounts receivable.....	21,833	319	7	22,159
Intergovernmental receivable.....	823	48	—	871
Interest receivable.....	189	109	3	301
Due from other funds	7,063	—	—	7,063
Inventories.....	26,481	—	—	26,481
Notes receivable, net.....	1,283	39,753	—	41,036
Securities held in trust.....	43,083	—	—	43,083
Restricted/designated cash and cash equivalents.....	—	275,133	9,323	284,456
Restricted investments.....	1,930	204,729	109,382	316,041
Total Assets.....	<u>1,161,721</u>	<u>525,221</u>	<u>134,414</u>	<u>1,821,356</u>
Deferred Outflows of Resources				
Forward funded state aid.....	59,860	—	—	59,860
Total Assets and Deferred Outflows.....	<u>\$ 1,221,581</u>	<u>\$ 525,221</u>	<u>\$ 134,414</u>	<u>\$ 1,881,216</u>
Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable.....	\$ 20,544	\$ 22,703	\$ —	\$ 43,247
Accrued payroll.....	139	—	—	139
Intergovernmental payable.....	5,273	66	—	5,339
Claims payable.....	52,500	—	—	52,500
Obligations under securities lending.....	81,079	5,147	15,180	101,406
Due to other funds	543	107	—	650
Due to component units	—	24,311	—	24,311
Unearned revenue.....	453	1,685	—	2,138
Deposits payable.....	4	—	—	4
Funds held for others.....	43,179	—	—	43,179
Total Liabilities.....	<u>203,714</u>	<u>54,019</u>	<u>15,180</u>	<u>272,913</u>
Deferred Inflows of Resources				
Unavailable revenue.....	2,531	—	—	2,531
Fund Balances				
Nonspendable.....	26,481	—	102,011	128,492
Restricted.....	550,403	196,830	16,577	763,810
Committed.....	438,452	274,372	646	713,470
Total Fund Balances.....	<u>1,015,336</u>	<u>471,202</u>	<u>119,234</u>	<u>1,605,772</u>
Total Liabilities, Deferred Inflows and Fund Balances.....	<u>\$ 1,221,581</u>	<u>\$ 525,221</u>	<u>\$ 134,414</u>	<u>\$ 1,881,216</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

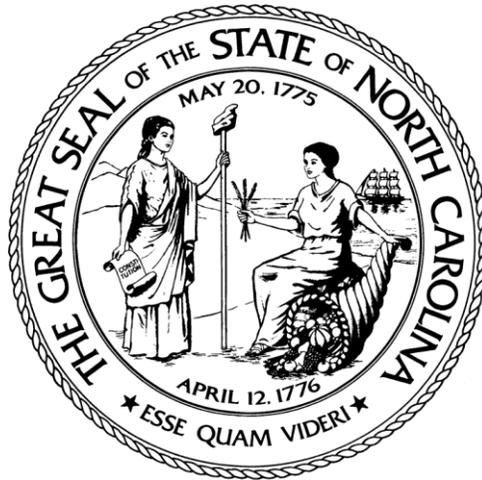
For the Fiscal Year Ended June 30, 2014

Exhibit C-2

(Dollars in Thousands)

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes:				
Sales and use tax.....	\$ 7,786	\$ —	\$ —	\$ 7,786
Gasoline tax.....	25,549	—	—	25,549
Other taxes.....	104,295	—	—	104,295
Federal funds.....	74,131	2,640	—	76,771
Local funds.....	5,774	288	—	6,062
Investment earnings.....	16,900	473	6,427	23,800
Interest earnings on loans.....	11	626	—	637
Sales and services.....	149,393	730	—	150,123
Rental and lease of property.....	3,439	2	—	3,441
Fees, licenses, and fines.....	173,763	651	3,915	178,329
Contributions, gifts, and grants.....	30,777	21,258	16	52,051
Funds escheated.....	106,760	—	—	106,760
Federal recovery funds.....	3,613	517	—	4,130
Miscellaneous.....	12,755	3,700	—	16,455
Total revenues.....	<u>714,946</u>	<u>30,885</u>	<u>10,358</u>	<u>756,189</u>
Expenditures				
Current:				
General government.....	39,823	189	—	40,012
Higher education.....	71,022	86,870	28	157,920
Health and human services.....	72,832	—	—	72,832
Economic development.....	13,645	3,933	—	17,578
Environment and natural resources.....	153,265	10,993	139	164,397
Public safety, corrections, and regulation.....	253,971	1	—	253,972
Transportation.....	2	—	—	2
Agriculture.....	16,037	—	—	16,037
Capital outlay.....	—	127,634	—	127,634
Debt service:				
Principal retirement.....	4,223	—	—	4,223
Interest and fees.....	16	115	—	131
Total expenditures.....	<u>624,836</u>	<u>229,735</u>	<u>167</u>	<u>854,738</u>
Excess revenues over (under) expenditures.....	<u>90,110</u>	<u>(198,850)</u>	<u>10,191</u>	<u>(98,549)</u>
Other Financing Sources (Uses)				
Sale of capital assets.....	76	343	—	419
Insurance recoveries.....	30	54	—	84
Transfers in.....	147,032	126,155	—	273,187
Transfers out.....	(135,387)	(21,815)	(2,389)	(159,591)
Total other financing sources (uses).....	<u>11,751</u>	<u>104,737</u>	<u>(2,389)</u>	<u>114,099</u>
Net change in fund balances.....	101,861	(94,113)	7,802	15,550
Fund balances — July 1, as restated.....	913,475	565,315	111,432	1,590,222
Fund balances — June 30.....	<u>\$ 1,015,336</u>	<u>\$ 471,202</u>	<u>\$ 119,234</u>	<u>\$ 1,605,772</u>

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NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

The following are included in the nonmajor special revenue funds:

- Escheat Fund
- Correction Enterprises Fund
- Leaking Petroleum Underground Storage Tank Cleanup Fund
- Natural Heritage Trust Fund
- 911 Fund
- Environment Management Protection Funds
- Departmental Funds

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2014

(Dollars in Thousands)

	Escheat Fund	Correction Enterprises Fund	Leaking Petroleum Underground Storage Tank Cleanup Fund	Natural Heritage Trust Fund	911 Fund
Assets					
Cash and cash equivalents	\$ 262,750	\$ 9,680	\$ 38,719	\$ —	\$ 48,580
Investments	228,637	—	—	—	—
Securities lending collateral	47,250	—	4,960	—	6,018
Receivables, net:					
Taxes receivable.....	—	—	1,501	—	—
Accounts receivable.....	—	2,271	368	—	5,947
Intergovernmental receivable.....	—	147	—	—	—
Interest receivable.....	97	—	15	—	17
Due from other funds	—	1,670	—	—	1,445
Inventories.....	—	21,803	—	—	—
Notes receivable, net.....	—	—	648	—	—
Securities held in trust.....	—	—	—	—	—
Restricted investments.....	—	—	—	—	—
Total Assets.....	<u>\$ 538,734</u>	<u>\$ 35,571</u>	<u>\$ 46,211</u>	<u>\$ —</u>	<u>\$ 62,007</u>
Deferred Outflows of Resources					
Forward funded state aid.....	59,860	—	—	—	—
Total Assets and Deferred Outflows.....	<u>598,594</u>	<u>35,571</u>	<u>46,211</u>	<u>—</u>	<u>62,007</u>
Liabilities					
Accounts payable and accrued liabilities:					
Accounts payable.....	\$ —	\$ 3,120	\$ 4,527	\$ —	\$ 666
Accrued payroll.....	—	14	—	—	—
Intergovernmental payable.....	—	—	—	—	4,502
Claims payable.....	52,500	—	—	—	—
Obligations under securities lending.....	46,988	—	4,895	—	6,037
Due to other funds	—	57	—	—	39
Unearned revenue.....	—	211	—	—	—
Deposits payable.....	—	—	—	—	—
Funds held for others.....	—	—	—	—	—
Total Liabilities.....	<u>99,488</u>	<u>3,402</u>	<u>9,422</u>	<u>—</u>	<u>11,244</u>
Deferred Inflows of Resources					
Unavailable revenue.....	—	—	—	—	—
Fund Balances					
Nonspendable.....	—	21,803	—	—	—
Restricted.....	499,106	—	—	—	—
Committed.....	—	10,366	36,789	—	50,763
Total Fund Balances.....	<u>499,106</u>	<u>32,169</u>	<u>36,789</u>	<u>—</u>	<u>50,763</u>
Total Liabilities, Deferred Inflows and Fund Balances...	<u>\$ 598,594</u>	<u>\$ 35,571</u>	<u>\$ 46,211</u>	<u>\$ —</u>	<u>\$ 62,007</u>

Environment Management Protection Funds	Departmental Funds	Total Nonmajor Special Revenue Funds
\$ 143,543	\$ 242,951	\$ 746,223
—	309	228,946
12,867	10,589	81,684
682	—	2,183
4,304	8,943	21,833
11	665	823
39	21	189
3,942	6	7,063
—	4,678	26,481
355	280	1,283
43,083	—	43,083
1,930	—	1,930
<u>\$ 210,756</u>	<u>\$ 268,442</u>	<u>\$ 1,161,721</u>
—	—	59,860
<u>210,756</u>	<u>268,442</u>	<u>1,221,581</u>
\$ 3,233	\$ 8,998	\$ 20,544
71	54	139
671	100	5,273
—	—	52,500
12,973	10,186	81,079
80	367	543
64	178	453
—	4	4
43,083	96	43,179
<u>60,175</u>	<u>19,983</u>	<u>203,714</u>
1,967	564	2,531
—	4,678	26,481
8,713	42,584	550,403
139,901	200,633	438,452
148,614	247,895	1,015,336
<u>\$ 210,756</u>	<u>\$ 268,442</u>	<u>\$ 1,221,581</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Escheat Fund	Correction Enterprises Fund	Leaking Petroleum Underground Storage Tank Cleanup Fund	Natural Heritage Trust Fund	911 Fund
Revenues					
Taxes:					
Sales and use tax.....	\$ —	\$ —	\$ —	\$ —	\$ —
Gasoline tax.....	—	—	17,565	—	—
Other taxes.....	—	—	—	—	74,342
Federal funds.....	—	—	—	—	—
Local funds.....	—	—	—	—	—
Investment earnings.....	14,962	—	264	—	309
Interest earnings on loans.....	—	—	—	—	—
Sales and services.....	1	89,238	—	—	751
Rental and lease of property.....	—	455	—	—	—
Fees, licenses, and fines.....	—	—	10,366	—	—
Contributions, gifts, and grants.....	—	34	—	—	—
Funds escheated.....	106,760	—	—	—	—
Federal recovery funds.....	—	—	—	—	—
Miscellaneous.....	—	150	2,450	—	—
Total revenues.....	<u>121,723</u>	<u>89,877</u>	<u>30,645</u>	<u>—</u>	<u>75,402</u>
Expenditures					
Current:					
General government.....	—	—	—	—	—
Higher education.....	70,245	—	—	—	—
Health and human services.....	—	—	—	—	—
Economic development.....	—	—	—	—	—
Environment and natural resources.....	—	—	32,050	—	—
Public safety, corrections, and regulation...	—	86,977	—	—	75,632
Transportation.....	—	—	—	—	—
Agriculture.....	—	—	—	—	—
Debt service:					
Principal retirement.....	—	—	—	—	—
Interest and fees.....	—	—	—	—	—
Total expenditures.....	<u>70,245</u>	<u>86,977</u>	<u>32,050</u>	<u>—</u>	<u>75,632</u>
Excess revenues over (under) expenditures..	<u>51,478</u>	<u>2,900</u>	<u>(1,405)</u>	<u>—</u>	<u>(230)</u>
Other Financing Sources (Uses)					
Sale of capital assets.....	—	12	—	—	—
Insurance recoveries.....	—	—	—	—	—
Transfers in.....	27,000	202	3,500	—	—
Transfers out.....	(22,856)	(4,194)	(5,389)	(10,484)	(23)
Total other financing sources (uses).....	<u>4,144</u>	<u>(3,980)</u>	<u>(1,889)</u>	<u>(10,484)</u>	<u>(23)</u>
Net change in fund balances.....	55,622	(1,080)	(3,294)	(10,484)	(253)
Fund balances — July 1, as restated.....	443,484	33,249	40,083	10,484	51,016
Fund balances — June 30.....	<u>\$ 499,106</u>	<u>\$ 32,169</u>	<u>\$ 36,789</u>	<u>\$ —</u>	<u>\$ 50,763</u>

Environment Management Protection Funds	Departmental Funds	Total Nonmajor Special Revenue Funds
\$ 7,786	\$ —	\$ 7,786
7,984	—	25,549
9,059	20,894	104,295
2,306	71,825	74,131
165	5,609	5,774
674	691	16,900
11	—	11
22	59,381	149,393
652	2,332	3,439
78,998	84,399	173,763
21,776	8,967	30,777
—	—	106,760
3,424	189	3,613
237	9,918	12,755
<u>133,094</u>	<u>264,205</u>	<u>714,946</u>
—	39,823	39,823
—	777	71,022
—	72,832	72,832
—	13,645	13,645
121,215	—	153,265
—	91,362	253,971
—	2	2
—	16,037	16,037
1,217	3,006	4,223
—	16	16
<u>122,432</u>	<u>237,500</u>	<u>624,836</u>
<u>10,662</u>	<u>26,705</u>	<u>90,110</u>
19	45	76
1	29	30
14,770	101,560	147,032
(11,204)	(81,237)	(135,387)
<u>3,586</u>	<u>20,397</u>	<u>11,751</u>
14,248	47,102	101,861
134,366	200,793	913,475
<u>\$ 148,614</u>	<u>\$ 247,895</u>	<u>\$ 1,015,336</u>

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES — BUDGET AND ACTUAL (BUDGETARY BASIS — NON-GAAP) NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Escheat Fund			Correction Enterprises Fund			Leaking Petroleum Underground Storage Tank Cleanup Fund		
	Final		Variance	Final		Variance	Final		Variance
	Budget	Actual	with Final Budget	Budget	Actual	with Final Budget	Budget	Actual	with Final Budget
Revenues									
Departmental:									
Federal funds.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Local funds.....	—	—	—	—	—	—	—	—	—
Inter-agency grants and allocations.....	—	—	—	62	69	7	—	—	—
Intra-governmental transactions.....	27,000	27,000	—	222	218	(4)	19,548	21,040	1,492
Sales and services.....	—	—	—	92,259	88,414	(3,845)	—	—	—
Sale, rental, and lease of property..	—	—	—	325	489	164	—	—	—
Fees, licenses, and fines.....	—	—	—	—	—	—	7,231	10,448	3,217
Contributions, gifts, and grants.....	—	—	—	—	—	—	—	—	—
Federal recovery funds.....	—	—	—	—	—	—	—	—	—
Miscellaneous.....	175,107	117,071	(58,036)	176	164	(12)	110	2,630	2,520
Total revenues.....	<u>202,107</u>	<u>144,071</u>	<u>(58,036)</u>	<u>93,044</u>	<u>89,354</u>	<u>(3,690)</u>	<u>26,889</u>	<u>34,118</u>	<u>7,229</u>
Expenditures									
Current:									
General government.....	—	—	—	—	—	—	—	—	—
Higher education.....	94,118	93,346	772	—	—	—	—	—	—
Health and human services.....	—	—	—	—	—	—	—	—	—
Economic development.....	—	—	—	—	—	—	—	—	—
Environmental and natural resources.....	—	—	—	—	—	—	56,365	36,990	19,375
Public safety and corrections.....	—	—	—	94,756	87,144	7,612	—	—	—
Agriculture.....	—	—	—	—	—	—	—	—	—
Debt service:									
Principal retirement.....	—	—	—	—	—	—	—	—	—
Interest and fees.....	—	—	—	—	—	—	—	—	—
Total expenditures.....	<u>94,118</u>	<u>93,346</u>	<u>772</u>	<u>94,756</u>	<u>87,144</u>	<u>7,612</u>	<u>56,365</u>	<u>36,990</u>	<u>19,375</u>
Excess revenues over (under) expenditures	<u>\$107,989</u>	50,725	<u>\$ (57,264)</u>	<u>\$ (1,712)</u>	2,210	<u>\$ 3,922</u>	<u>\$ (29,476)</u>	(2,872)	<u>\$ 26,604</u>
Fund balances (budgetary basis)									
at July 1, as restated.....		<u>430,129</u>			<u>7,470</u>			<u>41,591</u>	
Fund balances (budgetary basis)									
at June 30.....		<u>\$ 480,854</u>			<u>\$ 9,680</u>			<u>\$ 38,719</u>	

Natural Heritage Trust Fund			911 Fund			Environment Management Protection Funds		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,724	\$ 2,165	\$ (1,559)
—	—	—	—	—	—	111	165	54
—	—	—	—	—	—	27,922	21,502	(6,420)
—	—	—	—	—	—	63,594	57,135	(6,459)
—	—	—	735	745	10	26	22	(4)
—	—	—	—	—	—	54	667	613
—	—	—	75,500	73,775	(1,725)	102,237	77,356	(24,881)
—	—	—	—	—	—	25	287	262
—	—	—	—	—	—	8,158	3,554	(4,604)
—	—	—	240	217	(23)	2,105	965	(1,140)
—	—	—	<u>76,475</u>	<u>74,737</u>	<u>(1,738)</u>	<u>207,956</u>	<u>163,818</u>	<u>(44,138)</u>
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
10,468	10,468	—	—	—	—	225,169	151,142	74,027
—	—	—	113,279	74,957	38,322	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	1,217	1,217	—
—	—	—	—	—	—	5	—	5
<u>10,468</u>	<u>10,468</u>	<u>—</u>	<u>113,279</u>	<u>74,957</u>	<u>38,322</u>	<u>226,391</u>	<u>152,359</u>	<u>74,032</u>
<u>\$(10,468)</u>	<u>(10,468)</u>	<u>\$ —</u>	<u>\$(36,804)</u>	<u>(220)</u>	<u>\$ 36,584</u>	<u>\$(18,435)</u>	<u>11,459</u>	<u>\$ 29,894</u>
	<u>10,468</u>			<u>48,800</u>			<u>133,956</u>	
	<u>\$ —</u>			<u>\$ 48,580</u>			<u>\$ 145,415</u>	

Continued

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES — BUDGET AND ACTUAL (BUDGETARY BASIS — NON-GAAP) NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2014

Exhibit C-5

(Dollars in Thousands)

	Departmental Funds			Total Nonmajor Special Revenue Funds		
	Final		Variance	Final		Variance
	Budget	Actual	with Final Budget	Budget	Actual	with Final Budget
Revenues						
Departmental:						
Federal funds.....	\$ 93,095	\$ 71,939	\$ (21,156)	\$ 96,819	\$ 74,104	\$ (22,715)
Local funds.....	7,261	5,658	(1,603)	7,372	5,823	(1,549)
Inter-agency grants and allocations.....	12,006	6,612	(5,394)	39,990	28,183	(11,807)
Intra-governmental transactions.....	144,728	138,336	(6,392)	255,092	243,729	(11,363)
Sales and services.....	82,045	75,805	(6,240)	175,065	164,986	(10,079)
Sale, rental, and lease of property..	2,160	2,362	202	2,539	3,518	979
Fees, licenses, and fines.....	90,321	86,318	(4,003)	275,289	247,897	(27,392)
Contributions, gifts, and grants.....	6,249	4,341	(1,908)	6,274	4,628	(1,646)
Federal recovery funds.....	2	183	181	8,160	3,737	(4,423)
Miscellaneous.....	41,793	6,673	(35,120)	219,531	127,720	(91,811)
Total revenues.....	<u>479,660</u>	<u>398,227</u>	<u>(81,433)</u>	<u>1,086,131</u>	<u>904,325</u>	<u>(181,806)</u>
Expenditures						
Current:						
General government.....	98,571	77,194	21,377	98,571	77,194	21,377
Higher education.....	989	807	182	95,107	94,153	954
Health and human services.....	116,323	92,537	23,786	116,323	92,537	23,786
Economic development.....	81,496	22,576	58,920	81,496	22,576	58,920
Environmental and natural resources.....	—	—	—	292,002	198,600	93,402
Public safety and corrections.....	187,248	154,565	32,683	395,283	316,666	78,617
Agriculture.....	26,406	21,838	4,568	26,406	21,838	4,568
Debt service:						
Principal retirement.....	—	—	—	1,217	1,217	—
Interest and fees.....	—	—	—	5	—	5
Total expenditures.....	<u>511,033</u>	<u>369,517</u>	<u>141,516</u>	<u>1,106,410</u>	<u>824,781</u>	<u>281,629</u>
Excess revenues over (under) expenditures	<u>\$ (31,373)</u>	28,710	<u>\$ 60,083</u>	<u>\$ (20,279)</u>	79,544	<u>\$ 99,823</u>
Fund balances (budgetary basis)						
at July 1, as restated.....		<u>213,618</u>			<u>886,032</u>	
Fund balances (budgetary basis)						
at June 30.....		<u>\$ 242,328</u>			<u>\$ 965,576</u>	



NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects funds are maintained to account for those financial resources received and used for the acquisition, construction or improvement of major governmental capital assets, as well as to provide grants for capital assets for component units and other governmental entities. They are financed principally by debt proceeds and transfers from the General Fund.

The following activities are included in the nonmajor capital projects funds:

Non-Debt Supported Fund
Debt Supported Fund
N.C. Infrastructure Finance Corporation

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

June 30, 2014

Exhibit C-6

(Dollars in Thousands)

	Non-Debt Supported Fund	Debt Supported Fund	N.C. Infrastructure Finance Corporation	Total Nonmajor Capital Projects Funds
Assets				
Securities lending collateral.....	\$ 5,130	\$ —	\$ —	\$ 5,130
Receivables, net:				
Accounts receivable.....	319	—	—	319
Intergovernmental receivable.....	48	—	—	48
Interest receivable.....	107	2	—	109
Notes receivable, net.....	39,753	—	—	39,753
Restricted/designated cash and cash equivalents.....	275,126	7	—	275,133
Restricted investments.....	—	202,300	2,429	204,729
Total Assets.....	<u>\$ 320,483</u>	<u>\$ 202,309</u>	<u>\$ 2,429</u>	<u>\$ 525,221</u>
Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable.....	\$ 11,949	\$ 10,642	\$ 112	\$ 22,703
Intergovernmental payable.....	53	13	—	66
Obligations under securities lending.....	5,147	—	—	5,147
Due to other funds	107	—	—	107
Due to component units.....	22,651	1,321	339	24,311
Unearned revenue.....	1,685	—	—	1,685
Total Liabilities.....	<u>41,592</u>	<u>11,976</u>	<u>451</u>	<u>54,019</u>
Fund Balances				
Restricted.....	4,519	190,333	1,978	196,830
Committed.....	274,372	—	—	274,372
Total Fund Balances.....	<u>278,891</u>	<u>190,333</u>	<u>1,978</u>	<u>471,202</u>
Total Liabilities and Fund Balances.....	<u>\$ 320,483</u>	<u>\$ 202,309</u>	<u>\$ 2,429</u>	<u>\$ 525,221</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**

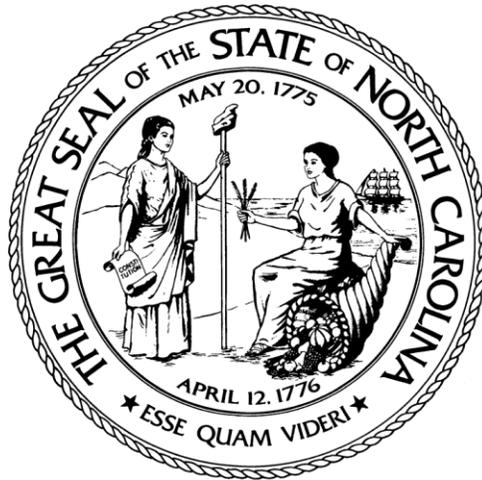
For the Fiscal Year Ended June 30, 2014

Exhibit C-7

(Dollars in Thousands)

	Non-Debt Supported Fund	Debt Supported Fund	N.C. Infrastructure Finance Corporation	Total Nonmajor Capital Projects Funds
Revenues				
Federal funds.....	\$ 2,640	\$ —	\$ —	\$ 2,640
Local funds.....	288	—	—	288
Investment earnings.....	316	155	2	473
Interest earnings on loans.....	626	—	—	626
Sales and services.....	730	—	—	730
Rental and lease of property.....	2	—	—	2
Fees, licenses and fines.....	651	—	—	651
Contributions, gifts, and grants.....	21,258	—	—	21,258
Federal recovery funds.....	517	—	—	517
Miscellaneous.....	3,700	—	—	3,700
Total revenues.....	<u>30,728</u>	<u>155</u>	<u>2</u>	<u>30,885</u>
Expenditures				
Current:				
General government.....	—	17	172	189
Higher education.....	97	86,747	26	86,870
Economic development.....	—	3,933	—	3,933
Environment & natural resources.....	6,225	4,768	—	10,993
Public safety, corrections, and regulation.....	1	—	—	1
Capital outlay.....	66,709	59,934	991	127,634
Debt service:				
Interest and fees.....	—	113	2	115
Total expenditures.....	<u>73,032</u>	<u>155,512</u>	<u>1,191</u>	<u>229,735</u>
Excess revenues over (under) expenditures.....	<u>(42,304)</u>	<u>(155,357)</u>	<u>(1,189)</u>	<u>(198,850)</u>
Other Financing Sources (Uses)				
Sale of capital assets.....	343	—	—	343
Insurance recoveries.....	54	—	—	54
Transfers in.....	126,155	—	—	126,155
Transfers out.....	(11,648)	(10,167)	—	(21,815)
Total other financing sources (uses).....	<u>114,904</u>	<u>(10,167)</u>	<u>—</u>	<u>104,737</u>
Net change in fund balances.....	72,600	(165,524)	(1,189)	(94,113)
Fund balances — July 1, as restated.....	206,291	355,857	3,167	565,315
Fund balances — June 30.....	<u>\$ 278,891</u>	<u>\$ 190,333</u>	<u>\$ 1,978</u>	<u>\$ 471,202</u>

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NONMAJOR PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

The following are included in nonmajor permanent funds:

Wildlife Endowment Fund
Departmental Funds

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS**

June 30, 2014

Exhibit C-8

(Dollars in Thousands)

	Wildlife Endowment Fund	Departmental Funds	Total Nonmajor Permanent Funds
Assets			
Cash and cash equivalents.....	\$ —	\$ 750	\$ 750
Securities lending collateral.....	13,733	1,216	14,949
Receivables, net:			
Accounts receivable.....	7	—	7
Interest receivable.....	—	3	3
Restricted/designated cash and cash equivalents.....	366	8,957	9,323
Restricted investments.....	108,847	535	109,382
Total Assets.....	<u>\$ 122,953</u>	<u>\$ 11,461</u>	<u>\$ 134,414</u>
Liabilities			
Obligations under securities lending.....	\$ 13,963	\$ 1,217	\$ 15,180
Fund Balances			
Nonspendable.....	92,522	9,489	102,011
Restricted.....	16,468	109	16,577
Committed.....	—	646	646
Total Fund Balances.....	<u>108,990</u>	<u>10,244</u>	<u>119,234</u>
Total Liabilities and Fund Balances.....	<u>\$ 122,953</u>	<u>\$ 11,461</u>	<u>\$ 134,414</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS**

For the Fiscal Year Ended June 30, 2014

Exhibit C-9

(Dollars in Thousands)

	Wildlife Endowment Fund	Departmental Funds	Total Nonmajor Permanent Funds
Revenues			
Investment earnings.....	\$ 6,362	\$ 65	\$ 6,427
Fees, licenses, and fines.....	3,076	839	3,915
Contributions, gifts, and grants.....	16	—	16
Total revenues.....	<u>9,454</u>	<u>904</u>	<u>10,358</u>
Expenditures			
Current:			
Higher education.....	—	28	28
Environment and natural resources.....	67	72	139
Total expenditures.....	<u>67</u>	<u>100</u>	<u>167</u>
Excess revenues over (under) expenditures.....	<u>9,387</u>	<u>804</u>	<u>10,191</u>
Other Financing Sources (Uses)			
Transfers out.....	<u>(2,389)</u>	<u>—</u>	<u>(2,389)</u>
Net change in fund balances.....	6,998	804	7,802
Fund balances — July 1.....	101,992	9,440	111,432
Fund balances — June 30.....	<u>\$ 108,990</u>	<u>\$ 10,244</u>	<u>\$ 119,234</u>

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES — BUDGET AND ACTUAL (BUDGETARY BASIS — NON-GAAP)
NONMAJOR PERMANENT FUNDS**

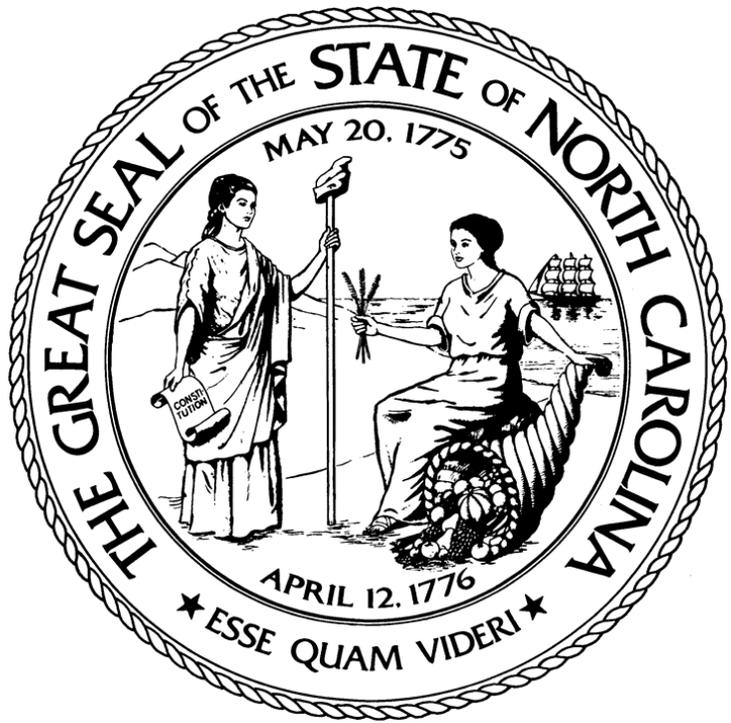
For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Wildlife Endowment Fund			Departmental Funds		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues:						
Departmental:						
Intra-governmental transactions.....	\$ —	\$ 1,937	\$ 1,937	\$ —	\$ —	\$ —
Fees, licenses, and fines.....	1,785	3,071	1,286	1,223	839	(384)
Contributions, gifts, and grants.....	7	16	9	—	—	—
Miscellaneous.....	3,174	4,933	1,759	292	42	(250)
Total revenues.....	<u>4,966</u>	<u>9,957</u>	<u>4,991</u>	<u>1,515</u>	<u>881</u>	<u>(634)</u>
Expenditures:						
Current:						
Higher education.....	—	—	—	26	17	9
Environmental and natural resources.....	4,411	4,389	22	527	71	456
Total expenditures.....	<u>4,411</u>	<u>4,389</u>	<u>22</u>	<u>553</u>	<u>88</u>	<u>465</u>
Excess revenues over (under) expenditures	<u>\$ 555</u>	<u>5,568</u>	<u>\$ 5,013</u>	<u>\$ 962</u>	<u>793</u>	<u>\$ (169)</u>
Fund balances (budgetary basis)						
at July 1, as restated.....		<u>99,544</u>			<u>9,465</u>	
Fund balances (budgetary basis)						
at June 30.....		<u>\$ 105,112</u>			<u>\$ 10,258</u>	

Total Nonmajor Permanent Funds		
Final Budget	Actual	Variance with Final Budget
\$ —	\$ 1,937	\$ 1,937
3,008	3,910	902
7	16	9
<u>3,466</u>	<u>4,975</u>	<u>1,509</u>
<u>6,481</u>	<u>10,838</u>	<u>4,357</u>
26	17	9
<u>4,938</u>	<u>4,460</u>	<u>478</u>
<u>4,964</u>	<u>4,477</u>	<u>487</u>
<u>\$ 1,517</u>	<u>6,361</u>	<u>\$ 4,844</u>
	<u>109,009</u>	
	<u>\$ 115,370</u>	

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PROPRIETARY FUNDS

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NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to report activities for which a fee is charged to external users for goods or services.

The following activities are included in the nonmajor enterprise funds:

- Public School Insurance
- North Carolina State Fair
- USS North Carolina Battleship Commission
- Agricultural Farmers Market
- Workers' Compensation
- Utilities Commission
- State Banking Commission
- ABC Commission
- Occupational Licensing Boards
- Departmental Funds

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS**

June 30, 2014

(Dollars in Thousands)

	Public School Insurance	North Carolina State Fair	USS North Carolina Battleship Commission	Agricultural Farmers Market	Workers' Compensation	Utilities Commission
Assets						
Current Assets						
Cash and cash equivalents.....	\$ 19,259	\$ 3,703	\$ 5,379	\$ 1,812	\$ 8,540	\$ 3,042
Investments.....	69,596	—	—	—	11,894	—
Securities lending collateral.....	11,200	—	314	—	2,606	455
Receivables:						
Accounts receivable, net.....	—	236	337	21	—	8
Interest receivable.....	7	—	—	—	1	—
Premiums receivable.....	1,531	—	—	—	100	—
Notes receivable.....	—	—	—	—	—	—
Inventories.....	—	104	206	16	—	32
Prepaid items.....	2,916	—	241	—	31	—
Restricted cash and cash equivalents.....	—	—	86	—	—	—
Total current assets.....	<u>104,509</u>	<u>4,043</u>	<u>6,563</u>	<u>1,849</u>	<u>23,172</u>	<u>3,537</u>
Noncurrent Assets						
Investments.....	—	—	893	—	—	—
Notes receivable.....	—	—	—	—	—	—
Prepaid items.....	—	—	—	—	—	—
Capital assets-nondepreciable.....	—	1,379	483	3,755	—	—
Capital assets-depreciable, net.....	—	5,187	2,422	8,238	—	183
Total noncurrent assets.....	<u>—</u>	<u>6,566</u>	<u>3,798</u>	<u>11,993</u>	<u>—</u>	<u>183</u>
Total Assets.....	<u>104,509</u>	<u>10,609</u>	<u>10,361</u>	<u>13,842</u>	<u>23,172</u>	<u>3,720</u>
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities:						
Accounts payable.....	589	208	155	57	16	56
Accrued payroll.....	—	49	39	9	—	—
Intergovernmental payable.....	—	—	—	—	—	—
Claims payable.....	7,161	—	—	—	21,550	—
Obligations under securities lending.....	11,357	—	321	—	2,594	438
Due to other funds.....	7	6	—	2	—	11
Unearned revenue.....	11,532	597	30	—	3,923	—
Deposits payable.....	—	13	—	—	—	—
Notes payable.....	—	—	—	—	—	—
Compensated absences.....	8	23	4	10	—	111
Total current liabilities.....	<u>30,654</u>	<u>896</u>	<u>549</u>	<u>78</u>	<u>28,083</u>	<u>616</u>
Noncurrent Liabilities						
Accounts payable.....	—	—	—	—	—	—
Notes payable.....	—	—	—	—	—	—
Compensated absences.....	89	331	104	144	—	1,443
Total noncurrent liabilities.....	<u>89</u>	<u>331</u>	<u>104</u>	<u>144</u>	<u>—</u>	<u>1,443</u>
Total Liabilities.....	<u>30,743</u>	<u>1,227</u>	<u>653</u>	<u>222</u>	<u>28,083</u>	<u>2,059</u>
Net Position						
Net investment in capital assets.....	—	6,566	2,905	11,993	—	183
Restricted for:						
Capital outlay.....	—	—	86	—	—	—
Other purposes.....	—	—	—	—	—	—
Unrestricted.....	73,766	2,816	6,717	1,627	(4,911)	1,478
Total Net Position.....	<u>\$ 73,766</u>	<u>\$ 9,382</u>	<u>\$ 9,708</u>	<u>\$ 13,620</u>	<u>\$ (4,911)</u>	<u>\$ 1,661</u>

<u>State Banking Commission</u>	<u>ABC Commission</u>	<u>Occupational Licensing Boards</u>	<u>Departmental Funds</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 1,587	\$ 4,401	\$ 15,796	\$ 5,145	\$ 68,664
—	—	10,871	—	92,361
—	—	272	520	15,367
—	5	122	35	764
—	—	62	—	70
—	—	—	—	1,631
—	—	3	—	3
—	16	80	56	510
—	—	348	—	3,536
—	—	—	—	86
<u>1,587</u>	<u>4,422</u>	<u>27,554</u>	<u>5,756</u>	<u>182,992</u>
—	—	13,719	—	14,612
—	—	136	—	136
—	—	1	—	1
—	551	3,804	339	10,311
<u>75</u>	<u>2,164</u>	<u>17,633</u>	<u>6,870</u>	<u>42,772</u>
<u>75</u>	<u>2,715</u>	<u>35,293</u>	<u>7,209</u>	<u>67,832</u>
<u>1,662</u>	<u>7,137</u>	<u>62,847</u>	<u>12,965</u>	<u>250,824</u>
42	26	1,320	115	2,584
—	—	—	20	117
—	—	—	3	3
—	—	—	—	28,711
—	—	278	531	15,519
23	26	2	6	83
—	—	18,129	125	34,336
—	—	—	—	13
—	—	217	—	217
<u>82</u>	<u>20</u>	<u>65</u>	<u>30</u>	<u>353</u>
<u>147</u>	<u>72</u>	<u>20,011</u>	<u>830</u>	<u>81,936</u>
—	—	37	—	37
—	—	3,775	—	3,775
<u>1,068</u>	<u>265</u>	<u>1,534</u>	<u>364</u>	<u>5,342</u>
<u>1,068</u>	<u>265</u>	<u>5,346</u>	<u>364</u>	<u>9,154</u>
<u>1,215</u>	<u>337</u>	<u>25,357</u>	<u>1,194</u>	<u>91,090</u>
75	2,715	17,451	7,209	49,097
—	—	—	—	86
—	—	808	—	808
<u>372</u>	<u>4,085</u>	<u>19,231</u>	<u>4,562</u>	<u>109,743</u>
<u>\$ 447</u>	<u>\$ 6,800</u>	<u>\$ 37,490</u>	<u>\$ 11,771</u>	<u>\$ 159,734</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS**

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Public School Insurance	North Carolina State Fair	USS North Carolina Battleship Commission	Agricultural Farmers Market	Workers' Compensation	Utilities Commission
Operating Revenues						
Sales and services.....	\$ —	\$ 272	\$ 743	\$ 29	\$ —	\$ 35
Student tuition and fees, net.....	—	—	—	—	—	—
Rental and lease earnings.....	—	5,238	169	947	—	—
Fees, licenses, and fines.....	—	9,316	2,226	1,969	—	15,488
Insurance premiums.....	5,942	—	—	—	4,838	—
Miscellaneous.....	—	2	14	—	—	153
Total operating revenues.....	<u>5,942</u>	<u>14,828</u>	<u>3,152</u>	<u>2,945</u>	<u>4,838</u>	<u>15,676</u>
Operating Expenses						
Personal services.....	633	5,828	1,463	1,440	—	12,167
Supplies and materials.....	1	1,130	78	145	—	223
Services.....	61	5,218	1,028	806	757	850
Cost of goods sold.....	—	—	287	—	—	—
Depreciation.....	—	547	122	507	—	14
Claims.....	2,132	96	—	—	10,523	—
Insurance and bonding.....	4,313	163	24	77	—	1
Other.....	—	968	206	22	—	795
Total operating expenses.....	<u>7,140</u>	<u>13,950</u>	<u>3,208</u>	<u>2,997</u>	<u>11,280</u>	<u>14,050</u>
Operating income (loss).....	<u>(1,198)</u>	<u>878</u>	<u>(56)</u>	<u>(52)</u>	<u>(6,442)</u>	<u>1,626</u>
Nonoperating Revenues (Expenses)						
Noncapital grants.....	—	—	—	—	—	558
Noncapital gifts, net.....	—	513	315	—	—	—
Investment earnings.....	3,872	—	168	—	693	1
Interest and fees.....	—	—	—	—	—	—
(Loss) on sale of equipment.....	—	(5)	—	(47)	—	—
Miscellaneous.....	(7)	14	—	2	—	2
Total nonoperating revenues (expenses).....	<u>3,865</u>	<u>522</u>	<u>483</u>	<u>(45)</u>	<u>693</u>	<u>561</u>
Income (loss) before contributions and transfers.....	2,667	1,400	427	(97)	(5,749)	2,187
Capital contributions.....	—	90	40	—	—	—
Transfers in.....	—	—	—	—	6,668	—
Transfers out.....	—	(735)	—	(3)	—	(288)
Change in net position.....	<u>2,667</u>	<u>755</u>	<u>467</u>	<u>(100)</u>	<u>919</u>	<u>1,899</u>
Net position — July 1, as restated.....	71,099	8,627	9,241	13,720	(5,830)	(238)
Net position — June 30.....	<u>\$ 73,766</u>	<u>\$ 9,382</u>	<u>\$ 9,708</u>	<u>\$ 13,620</u>	<u>\$ (4,911)</u>	<u>\$ 1,661</u>

State Banking Commission	ABC Commission	Occupational Licensing Boards	Departmental Funds	Total Nonmajor Enterprise Funds
\$ —	\$ 1	\$ 443	\$ 82	\$ 1,605
—	—	12	—	12
—	—	—	1,183	7,537
13,307	13,338	36,687	3,394	95,725
—	—	—	—	10,780
26	18	236	25	474
<u>13,333</u>	<u>13,357</u>	<u>37,378</u>	<u>4,684</u>	<u>116,133</u>
10,222	2,882	25,573	3,861	64,069
86	107	902	307	2,979
1,918	9,206	7,082	1,614	28,540
—	—	—	76	363
7	114	1,362	241	2,914
—	—	133	—	12,884
1	16	50	113	4,758
689	108	1,041	340	4,169
<u>12,923</u>	<u>12,433</u>	<u>36,143</u>	<u>6,552</u>	<u>120,676</u>
<u>410</u>	<u>924</u>	<u>1,235</u>	<u>(1,868)</u>	<u>(4,543)</u>
—	—	—	—	558
—	—	—	528	1,356
—	—	219	26	4,979
—	—	(93)	—	(93)
—	—	(92)	(17)	(161)
—	7	27	18	63
<u>—</u>	<u>7</u>	<u>61</u>	<u>555</u>	<u>6,702</u>
410	931	1,296	(1,313)	2,159
—	—	—	13	143
—	—	—	500	7,168
(154)	(72)	—	(47)	(1,299)
256	859	1,296	(847)	8,171
191	5,941	36,194	12,618	151,563
<u>\$ 447</u>	<u>\$ 6,800</u>	<u>\$ 37,490</u>	<u>\$ 11,771</u>	<u>\$ 159,734</u>

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Public School Insurance	North Carolina State Fair	USS North Carolina Battleship Commission	Agricultural Farmers Market	Workers' Compensation	Utilities Commission
Cash Flows from Operating Activities						
Receipts from customers.....	\$ 12,972	\$ 15,213	\$ 3,170	\$ 2,943	\$ 5,066	\$ 15,516
Payments to suppliers.....	(3,113)	(6,448)	(1,636)	(1,030)	(286)	(1,227)
Payments to employees.....	(635)	(5,920)	(1,467)	(1,436)	—	(12,182)
Payments for prizes, benefits, and claims.....	(2,925)	(560)	—	—	(7,554)	—
Other receipts.....	—	14	—	2	—	155
Other payments.....	—	(408)	—	(8)	—	(598)
Net cash flows provided (used) by operating activities.....	6,299	1,891	67	471	(2,774)	1,664
Cash Provided From (Used For)						
Noncapital Financing Activities						
Grant receipts.....	—	—	—	—	—	558
Transfers from other funds.....	—	—	—	—	6,668	—
Transfers to other funds.....	—	(735)	—	(3)	—	(288)
Gifts.....	—	513	281	—	—	—
Total cash provided from (used for) noncapital financing activities.....	—	(222)	281	(3)	6,668	270
Cash Provided From (Used For)						
Capital and Related Financing Activities						
Acquisition and construction of capital assets.....	—	(184)	(47)	(54)	—	(41)
Proceeds from the sale of capital assets.....	—	14	—	2	—	—
Capital contributions.....	—	—	37	—	—	—
Principal paid on capital debt.....	—	—	—	—	—	—
Interest paid on capital debt.....	—	—	—	—	—	—
Total cash provided from (used for) capital and related financing activities.....	—	(170)	(10)	(52)	—	(41)
Cash Provided From (Used For)						
Investment Activities						
Proceeds from the sale/maturities of non-State Treasurer investments.....	—	—	2,389	—	—	—
Purchase of non-State Treasurer investments.....	—	—	(924)	—	—	—
Investment earnings.....	80	—	55	—	15	8
Total cash provided from (used for) investment activities.....	80	—	1,520	—	15	8
Net increase (decrease) in cash and cash equivalents.....	6,379	1,499	1,858	416	3,909	1,901
Cash and cash equivalents at July 1.....	12,880	2,204	3,607	1,396	4,631	1,141
Cash and cash equivalents at June 30.....	\$ 19,259	\$ 3,703	\$ 5,465	\$ 1,812	\$ 8,540	\$ 3,042
Reconciliation of Operating Income to Net Cash Provided From (Used For) Operating Activities						
Operating income (loss).....	\$ (1,198)	\$ 878	\$ (56)	\$ (52)	\$ (6,442)	\$ 1,626
Adjustments to reconcile operating income to net cash flows from operating activities:						
Depreciation.....	—	547	122	507	—	14
Nonoperating miscellaneous income (expense).....	—	14	—	2	—	2
(Increases) decreases in assets:						
Receivables.....	1,495	292	11	(2)	(77)	(7)
Inventories.....	—	25	(7)	(2)	—	—
Prepaid items.....	678	—	(53)	—	456	—
Notes receivable.....	—	—	—	—	—	—
Increases (decreases) in liabilities:						
Accounts payable and accrued liabilities.....	(215)	32	29	21	2,984	45
Due to other funds.....	6	(1)	—	(1)	—	(1)
Compensated absences.....	(2)	10	14	(2)	—	(15)
Unearned revenue.....	5,535	93	7	—	305	—
Deposits payable.....	—	1	—	—	—	—
Total cash provided from (used for) operations.....	\$ 6,299	\$ 1,891	\$ 67	\$ 471	\$ (2,774)	\$ 1,664
Noncash Investing, Capital, and Financing Activities						
Noncash distributions from the State Treasurer Long-Term Investment Portfolio and/or other agents.....	\$ —	\$ —	\$ —	\$ —	\$ 587	\$ —
Donated or transferred assets.....	—	—	—	—	—	—
Change in fair value of investments.....	34	—	4	—	91	(7)
Change in securities lending collateral.....	3,696	—	89	—	1,127	375

State Banking Commission	ABC Commission	Occupational Licensing Boards	Departmental Funds	Total Nonmajor Enterprise Funds
\$ 13,307	\$ 13,352	\$ 37,744	\$ 4,828	\$ 124,111
(2,172)	(9,942)	(8,237)	(2,094)	(36,185)
(10,133)	(2,840)	(25,736)	(3,851)	(64,200)
—	—	—	—	(11,039)
26	7	188	1	393
(531)	(85)	(1,041)	(291)	(2,962)
<u>497</u>	<u>492</u>	<u>2,918</u>	<u>(1,407)</u>	<u>10,118</u>
—	—	—	—	558
—	—	—	500	7,168
(154)	(72)	—	(47)	(1,299)
—	—	—	528	1,322
<u>(154)</u>	<u>(72)</u>	<u>—</u>	<u>981</u>	<u>7,749</u>
—	—	(816)	—	(1,142)
—	—	37	—	53
—	—	—	—	37
—	—	(597)	—	(597)
—	—	(93)	—	(93)
—	—	(1,469)	—	(1,742)
—	—	14,293	—	16,682
—	—	(15,351)	—	(16,275)
—	—	308	18	484
—	—	(750)	18	891
343	420	699	(408)	17,016
1,244	3,981	15,097	5,553	51,734
<u>\$ 1,587</u>	<u>\$ 4,401</u>	<u>\$ 15,796</u>	<u>\$ 5,145</u>	<u>\$ 68,750</u>
\$ 410	\$ 924	\$ 1,235	\$ (1,868)	\$ (4,543)
7	114	1,362	241	2,914
—	7	27	18	70
—	(5)	(70)	5	1,642
—	(2)	(12)	1	3
—	—	134	—	1,215
—	—	(22)	—	(22)
(8)	(596)	(429)	57	1,920
(1)	8	—	—	10
89	42	96	17	249
—	—	597	122	6,659
—	—	—	—	1
<u>\$ 497</u>	<u>\$ 492</u>	<u>\$ 2,918</u>	<u>\$ (1,407)</u>	<u>\$ 10,118</u>
\$ —	\$ —	\$ —	\$ —	\$ 587
—	—	—	13	13
—	—	126	9	257
—	—	110	120	5,517

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INTERNAL SERVICE FUNDS

The internal service funds are maintained to account for the operations of state agencies that provide services to other state agencies, component units, or other governmental units on a cost reimbursement basis.

The following activities are included in the internal service funds:

Office of the State Controller:

Workers' Compensation Program

Department of Administration:

Motor Fleet Management
Mail Service Center
Temporary Solutions
Surplus Property

Office of the Governor:

Computing Services
State Telecommunications Services

Department of Insurance:

State Property Fire Insurance

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

June 30, 2014

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Assets					
Current Assets					
Cash and cash equivalents.....	\$ 2,226	\$ 27,671	\$ 32,187	\$ —	\$ 398
Investments.....	—	30,283	—	—	—
Securities lending collateral.....	—	7,315	—	—	—
Receivables:					
Accounts receivable, net.....	1,643	—	1,822	546	5,502
Interest receivable.....	—	10	—	—	—
Premiums receivable.....	—	686	—	—	—
Due from other funds.....	5,882	—	2,916	—	3,219
Due from component units.....	—	—	387	—	—
Inventories.....	—	—	135	116	—
Prepaid items.....	—	—	—	—	—
Total current assets.....	<u>9,751</u>	<u>65,965</u>	<u>37,447</u>	<u>662</u>	<u>9,119</u>
Noncurrent Assets					
Capital assets-nondepreciable.....	—	—	288	—	—
Capital assets-depreciable, net.....	—	—	50,497	212	—
Total noncurrent assets.....	<u>—</u>	<u>—</u>	<u>50,785</u>	<u>212</u>	<u>—</u>
Total Assets.....	<u>9,751</u>	<u>65,965</u>	<u>88,232</u>	<u>874</u>	<u>9,119</u>
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities:					
Accounts payable.....	—	5,124	2,461	17	109
Accrued payroll.....	—	—	—	—	3,907
Intergovernmental payable.....	—	—	—	—	—
Claims payable.....	—	1,340	—	—	—
Obligations under securities lending.....	—	7,333	—	—	—
Due to other funds.....	—	—	37	74	6
Unearned revenue.....	—	8,024	—	—	—
Capital leases payable.....	—	—	—	—	—
Compensated absences.....	—	17	13	17	11
Total current liabilities.....	<u>—</u>	<u>21,838</u>	<u>2,511</u>	<u>108</u>	<u>4,033</u>
Noncurrent Liabilities					
Capital leases payable.....	—	—	—	—	—
Compensated absences.....	—	198	140	184	67
Total noncurrent liabilities.....	<u>—</u>	<u>198</u>	<u>140</u>	<u>184</u>	<u>67</u>
Total Liabilities.....	<u>—</u>	<u>22,036</u>	<u>2,651</u>	<u>292</u>	<u>4,100</u>
Net Position					
Net investment in capital assets.....	—	—	50,785	212	—
Unrestricted.....	9,751	43,929	34,796	370	5,019
Total Net Position.....	<u>\$ 9,751</u>	<u>\$ 43,929</u>	<u>\$ 85,581</u>	<u>\$ 582</u>	<u>\$ 5,019</u>

Computing Services	State Telecommu- nications Services	Surplus Property	Totals
\$ 9,196	\$ 16,745	\$ 1,259	\$ 89,682
—	—	—	30,283
—	—	—	7,315
1,606	6,226	89	17,434
—	—	—	10
—	—	—	686
6,421	3,651	5	22,094
4	315	—	706
7	—	—	258
1,408	92	—	1,500
<u>18,642</u>	<u>27,029</u>	<u>1,353</u>	<u>169,968</u>
3,089	—	19	3,396
43,379	4,067	62	98,217
46,468	4,067	81	101,613
<u>65,110</u>	<u>31,096</u>	<u>1,434</u>	<u>271,581</u>
545	15	640	8,911
—	—	—	3,907
10	—	—	10
—	—	—	1,340
—	—	—	7,333
61	294	260	732
—	—	—	8,024
—	158	—	158
288	96	8	450
<u>904</u>	<u>563</u>	<u>908</u>	<u>30,865</u>
—	165	—	165
3,554	1,181	88	5,412
<u>3,554</u>	<u>1,346</u>	<u>88</u>	<u>5,577</u>
<u>4,458</u>	<u>1,909</u>	<u>996</u>	<u>36,442</u>
46,468	3,744	81	101,290
14,184	25,443	357	133,849
<u>\$ 60,652</u>	<u>\$ 29,187</u>	<u>\$ 438</u>	<u>\$ 235,139</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Operating Revenues					
Sales and services.....	\$ 86,519	\$ —	\$ 37,267	\$ 4,009	\$ 52,135
Rental and lease earnings.....	—	—	—	—	—
Fees, licenses, and fines.....	—	—	—	—	—
Insurance premiums.....	—	21,544	—	—	—
Miscellaneous.....	—	—	5,698	—	—
Total operating revenues.....	<u>86,519</u>	<u>21,544</u>	<u>42,965</u>	<u>4,009</u>	<u>52,135</u>
Operating Expenses					
Personal services.....	—	1,724	2,498	2,866	50,447
Supplies and materials.....	—	5	16,032	50	23
Services.....	87,572	100	2,653	1,043	169
Cost of goods sold.....	—	—	431	—	—
Depreciation.....	—	—	9,209	65	—
Claims.....	—	1,238	—	—	—
Insurance and bonding.....	—	20,349	1,209	—	2
Other.....	—	114	4	84	28
Total operating expenses.....	<u>87,572</u>	<u>23,530</u>	<u>32,036</u>	<u>4,108</u>	<u>50,669</u>
Operating income (loss).....	<u>(1,053)</u>	<u>(1,986)</u>	<u>10,929</u>	<u>(99)</u>	<u>1,466</u>
Nonoperating Revenues (Expenses)					
Noncapital grants.....	—	—	—	—	—
Investment earnings.....	—	1,942	—	—	—
Interest and fees.....	—	—	—	—	—
Insurance recoveries.....	—	—	149	—	—
Gain (loss) on sale of equipment.....	—	—	1,278	—	—
Miscellaneous.....	—	(6)	146	—	—
Total nonoperating revenues (expenses).....	<u>—</u>	<u>1,936</u>	<u>1,573</u>	<u>—</u>	<u>—</u>
Income (loss) before contributions and transfers.....	(1,053)	(50)	12,502	(99)	1,466
Capital contributions.....	—	—	527	—	—
Transfers in.....	—	—	—	929	—
Transfers out.....	—	—	—	—	—
Change in net position.....	<u>(1,053)</u>	<u>(50)</u>	<u>13,029</u>	<u>830</u>	<u>1,466</u>
Net position — July 1.....	10,804	43,979	72,552	(248)	3,553
Net position — June 30.....	<u>\$ 9,751</u>	<u>\$ 43,929</u>	<u>\$ 85,581</u>	<u>\$ 582</u>	<u>\$ 5,019</u>

Computing Services	State Telecommunications Services	Surplus Property	Totals
\$ 88,398	\$ 85,620	\$ 2,306	\$ 356,254
—	—	63	63
1,672	—	57	1,729
—	—	—	21,544
—	72	114	5,884
<u>90,070</u>	<u>85,692</u>	<u>2,540</u>	<u>385,474</u>
34,438	9,644	1,505	103,122
7,435	1,251	100	24,896
18,866	56,661	410	167,474
—	—	10	441
7,356	1,946	11	18,587
—	—	—	1,238
141	41	19	21,761
29,784	7,144	70	37,228
<u>98,020</u>	<u>76,687</u>	<u>2,125</u>	<u>374,747</u>
<u>(7,950)</u>	<u>9,005</u>	<u>415</u>	<u>10,727</u>
531	—	—	531
—	—	—	1,942
—	(34)	—	(34)
—	—	—	149
—	—	—	1,278
2	—	38	180
<u>533</u>	<u>(34)</u>	<u>38</u>	<u>4,046</u>
(7,417)	8,971	453	14,773
—	—	—	527
5,949	—	—	6,878
<u>(57)</u>	<u>(4,800)</u>	<u>—</u>	<u>(4,857)</u>
<u>(1,525)</u>	<u>4,171</u>	<u>453</u>	<u>17,321</u>
<u>62,177</u>	<u>25,016</u>	<u>(15)</u>	<u>217,818</u>
<u>\$ 60,652</u>	<u>\$ 29,187</u>	<u>\$ 438</u>	<u>\$ 235,139</u>

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Workers' Compensation Program	State Property Fire Insurance	Motor Fleet Management	Mail Service Center	Temporary Solutions
Cash Flows From Operating Activities					
Receipts from customers.....	\$ 9,181	\$ 10,059	\$ 3,670	\$ 618	\$ —
Receipts from other funds.....	76,306	11,840	39,192	3,036	46,695
Payments to suppliers.....	(87,572)	(19,173)	(17,029)	(324)	(36)
Payments to employees.....	—	(1,785)	(2,506)	(2,884)	(48,441)
Payments for benefits and claims.....	—	(633)	—	—	—
Payments to other funds.....	—	(384)	(2,124)	(1,370)	(49)
Other receipts.....	—	—	207	—	—
Other payments.....	—	—	(3)	(5)	(28)
Net cash flows provided (used) by operating activities.....	<u>(2,085)</u>	<u>(76)</u>	<u>21,407</u>	<u>(929)</u>	<u>(1,859)</u>
Cash Provided From (Used For) Noncapital Financing Activities					
Grant receipts.....	—	—	—	—	—
Transfers from other funds.....	—	—	—	929	—
Transfers to other funds.....	—	—	—	—	—
Total cash provided from (used for) noncapital financing activities.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>929</u>	<u>—</u>
Cash Provided From (Used For) Capital and Related Financing Activities					
Acquisition and construction of capital assets.....	—	—	(28,070)	—	—
Proceeds from the sale of capital assets.....	—	—	1,775	—	—
Capital contributions.....	—	—	485	—	—
Principal paid on capital debt.....	—	—	—	—	—
Interest paid on capital debt.....	—	—	—	—	—
Insurance recoveries.....	—	—	149	—	—
Total cash provided from (used for) capital and related financing activities.....	<u>—</u>	<u>—</u>	<u>(25,661)</u>	<u>—</u>	<u>—</u>
Cash Provided From (Used For) Investment Activities					
Investment earnings.....	—	145	—	—	—
Net increase (decrease) in cash and cash equivalents.....	(2,085)	69	(4,254)	—	(1,859)
Cash and cash equivalents at July 1.....	4,311	27,602	36,441	—	2,257
Cash and cash equivalents at June 30.....	<u>\$ 2,226</u>	<u>\$ 27,671</u>	<u>\$ 32,187</u>	<u>\$ —</u>	<u>\$ 398</u>
Reconciliation of Operating Income to Net Cash Provided From (Used For) Operating Activities					
Operating income (loss).....	\$ (1,053)	\$ (1,986)	\$ 10,929	\$ (99)	\$ 1,466
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation.....	—	—	9,209	65	—
Nonoperating miscellaneous income (expense).....	—	—	146	—	—
(Increases) decreases in assets:					
Receivables.....	(143)	(592)	(226)	(373)	(2,230)
Due from other funds.....	(889)	—	219	18	(3,210)
Due from component units.....	—	—	(34)	—	—
Inventories.....	—	—	23	59	—
Prepaid items.....	—	—	—	—	—
Increases (decreases) in liabilities:					
Accounts payable and accrued liabilities.....	—	1,617	1,122	(10)	2,080
Due to other funds.....	—	—	28	(577)	4
Compensated absences.....	—	(62)	(9)	(12)	31
Unearned revenue.....	—	947	—	—	—
Total cash provided from (used for) operations.....	<u>\$ (2,085)</u>	<u>\$ (76)</u>	<u>\$ 21,407</u>	<u>\$ (929)</u>	<u>\$ (1,859)</u>
Noncash Investing, Capital, and Financing Activities					
Noncash distributions from the State Treasurer					
Long-Term Investment Portfolio and/or other agents.....	\$ —	\$ 1,494	\$ —	\$ —	\$ —
Donated or transferred assets.....	—	—	42	—	—
Change in fair value of investments.....	—	296	—	—	—
Change in securities lending collateral.....	—	1,983	—	—	—

Computing Services	State Telecommunications Services	Surplus Property	Totals
\$ 2,556	\$ 17,123	\$ 793	\$ 44,000
85,825	68,248	1,577	332,719
(51,053)	(62,229)	(306)	(237,722)
(34,325)	(9,787)	(1,500)	(101,228)
—	—	—	(633)
(6,975)	(2,879)	(163)	(13,944)
2	—	152	361
—	—	(64)	(100)
<u>(3,970)</u>	<u>10,476</u>	<u>489</u>	<u>23,453</u>
531	—	—	531
5,949	—	—	6,878
(57)	(4,800)	—	(4,857)
<u>6,423</u>	<u>(4,800)</u>	<u>—</u>	<u>2,552</u>
(1,999)	(2,041)	—	(32,110)
—	—	—	1,775
—	—	—	485
—	(124)	—	(124)
—	(34)	—	(34)
—	—	—	149
<u>(1,999)</u>	<u>(2,199)</u>	<u>—</u>	<u>(29,859)</u>
—	—	—	145
454	3,477	489	(3,709)
8,742	13,268	770	93,391
<u>\$ 9,196</u>	<u>\$ 16,745</u>	<u>\$ 1,259</u>	<u>\$ 89,682</u>

\$ (7,950)	\$ 9,005	\$ 415	\$ 10,727
7,356	1,946	11	18,587
2	—	38	186
(1,072)	(575)	(55)	(5,266)
(708)	212	—	(4,358)
11	42	—	19
5	—	—	87
(851)	454	—	(397)
(880)	(523)	(56)	3,350
4	58	132	(351)
113	(143)	4	(78)
—	—	—	947
<u>\$ (3,970)</u>	<u>\$ 10,476</u>	<u>\$ 489</u>	<u>\$ 23,453</u>

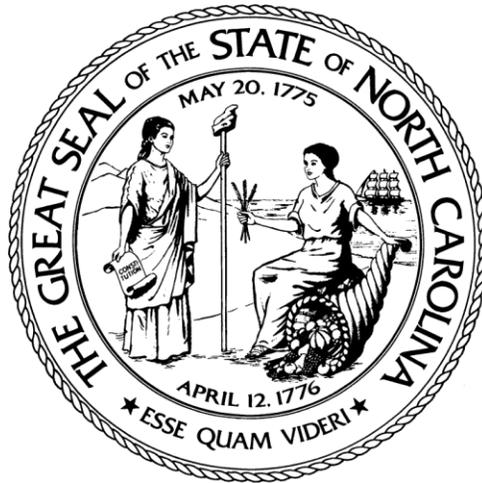
\$ —	\$ —	\$ —	\$ 1,494
—	—	—	42
—	—	—	296
—	—	—	1,983

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FIDUCIARY FUNDS

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INVESTMENT TRUST FUNDS

Investment trust funds account for the external portion of the Investment Pool and other investments that are legally separate entities and are not part of the state reporting entity.

The following activities are included in the investment trust funds:

State Treasurer Investment Pool
Public Hospitals Investment Account

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS**

June 30, 2014

Exhibit F-1

(Dollars in Thousands)

	State Treasurer Investment Pool	Public Hospitals Investment Account	Totals
Assets			
Cash and cash equivalents.....	\$ 10,559	\$ —	\$ 10,559
Investments:			
State Treasurer investment pool.....	889,450	145,603	1,035,053
Securities lending collateral.....	94,844	1,978	96,822
Receivables:			
Interest receivable.....	1,215	—	1,215
Total Assets.....	<u>996,068</u>	<u>147,581</u>	<u>1,143,649</u>
Liabilities			
Obligations under securities lending.....	<u>95,165</u>	<u>2,027</u>	<u>97,192</u>
Net Position			
Restricted for:			
Pool participants.....	900,903	—	900,903
Individuals, organizations, and other governments.....	—	145,554	145,554
Total Net Position.....	<u>\$ 900,903</u>	<u>\$ 145,554</u>	<u>\$ 1,046,457</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS**

For the Fiscal Year Ended June 30, 2014

Exhibit F-2

(Dollars in Thousands)

	State Treasurer Investment Pool	Public Hospitals Investment Account	Totals
Additions			
Investment Income:			
Investment earnings.....	\$ 26,305	\$ 25,292	\$ 51,597
Less investment expenses.....	(304)	(200)	(504)
Net investment income.....	<u>26,001</u>	<u>25,092</u>	<u>51,093</u>
Pool share transactions:			
Reinvestment of dividends.....	26,147	25,092	51,239
Net share purchases/(redemptions).....	(33,873)	21,004	(12,869)
Net pool share transactions.....	<u>(7,726)</u>	<u>46,096</u>	<u>38,370</u>
Total Additions.....	<u>18,275</u>	<u>71,188</u>	<u>89,463</u>
Deductions			
Distributions paid and payable.....	26,147	25,092	51,239
Change in net position.....	(7,872)	46,096	38,224
Net position — July 1, as restated.....	908,775	99,458	1,008,233
Net position — June 30.....	<u>\$ 900,903</u>	<u>\$ 145,554</u>	<u>\$ 1,046,457</u>

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PRIVATE PURPOSE TRUST FUNDS

Private purpose trust funds account for resources held in trust in which the principal and income benefit individuals, private organizations, or other governments.

The following activities are included in the private purpose trust funds:

Deposits of Insurance Carriers Fund
Administrative Office of the Courts Trust Fund
Departmental Funds

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS

June 30, 2014

Exhibit F-3

(Dollars in Thousands)

	Deposits of Insurance Carriers Fund	Administrative Office of the Courts Trust Fund	Departmental Funds	Totals
Assets				
Cash and cash equivalents.....	\$ 424	\$ 101,605	\$ 7,013	\$ 109,042
Investments:				
U.S. government securities.....	—	315	—	315
Certificates of deposit.....	—	48,530	—	48,530
State Treasurer investment pool.....	—	—	7,195	7,195
Securities lending collateral.....	53	—	866	919
Receivables:				
Interest receivable.....	—	—	3	3
Sureties.....	873,265	—	—	873,265
Total Assets.....	<u>873,742</u>	<u>150,450</u>	<u>15,077</u>	<u>1,039,269</u>
Liabilities				
Obligations under securities lending.....	<u>53</u>	<u>—</u>	<u>881</u>	<u>934</u>
Net Position				
Restricted for:				
Individuals, organizations, and other governments.....	873,689	150,450	14,196	1,038,335
Total Net Position.....	<u>\$ 873,689</u>	<u>\$ 150,450</u>	<u>\$ 14,196</u>	<u>\$ 1,038,335</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS**

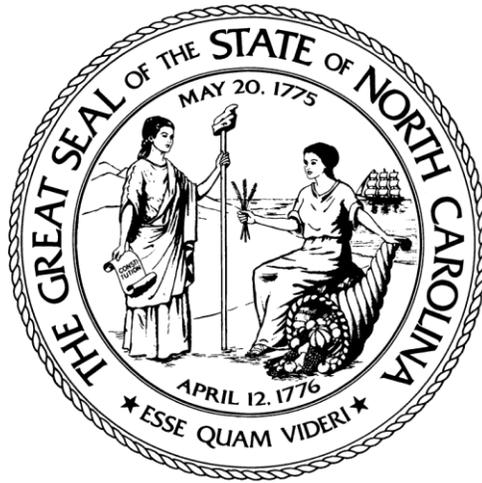
For the Fiscal Year Ended June 30, 2014

Exhibit F-4

(Dollars in Thousands)

	<u>Deposits of Insurance Carriers Fund</u>	<u>Administrative Office of the Courts Trust Fund</u>	<u>Departmental Funds</u>	<u>Totals</u>
Additions				
Contributions:				
Trustee deposits.....	\$ 10,662	\$ 101,781	\$ —	\$ 112,443
Total contributions.....	<u>10,662</u>	<u>101,781</u>	<u>—</u>	<u>112,443</u>
Investment Income:				
Investment earnings.....	3	2,610	467	3,080
Less investment expenses.....	—	—	(12)	(12)
Net investment income.....	<u>3</u>	<u>2,610</u>	<u>455</u>	<u>3,068</u>
Total Additions.....	<u>10,665</u>	<u>104,391</u>	<u>455</u>	<u>115,511</u>
Deductions				
Payments in accordance with trust arrangements.....	8,278	108,591	382	117,251
Change in net position.....	2,387	(4,200)	73	(1,740)
Net position — July 1.....	<u>871,302</u>	<u>154,650</u>	<u>14,123</u>	<u>1,040,075</u>
Net position — June 30.....	<u>\$ 873,689</u>	<u>\$ 150,450</u>	<u>\$ 14,196</u>	<u>\$ 1,038,335</u>

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AGENCY FUNDS

Agency funds account for resources held by the State in a purely custodial capacity for individuals, private organizations, or other governments.

The following activities are included in the agency funds:

- Local Sales Tax Collections
- Clerks of Court
- Intra-Entity Investment Fund Deposits
- Insurers in Receivership
- Vehicle Property Tax Collections
- Departmental Funds

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Balance, July 1, 2013 (as restated)	Additions	Deductions	Balance, June 30, 2014
Local Sales Tax Collections				
Assets				
Cash and cash equivalents.....	\$ 408,900	\$ 2,470,099	\$ (2,450,331)	\$ 428,668
Receivables:				
Taxes receivable.....	135,700	149,500	(135,700)	149,500
Due from other funds.....	29,505	26,170	(29,505)	26,170
Total Assets.....	<u>\$ 574,105</u>	<u>\$ 2,645,769</u>	<u>\$ (2,615,536)</u>	<u>\$ 604,338</u>
Liabilities				
Accounts payable and accrued liabilities:				
Intergovernmental payable.....	\$ 574,105	\$ 2,645,769	\$ (2,615,536)	\$ 604,338
Total Liabilities.....	<u>\$ 574,105</u>	<u>\$ 2,645,769</u>	<u>\$ (2,615,536)</u>	<u>\$ 604,338</u>
Clerks of Court				
Assets				
Cash and cash equivalents.....	\$ 95,867	\$ 1,692,226	\$ (1,681,166)	\$ 106,927
Receivables:				
Accounts receivable.....	389	4,816	(4,818)	387
Sureties.....	97,774	44,464	(41,702)	100,536
Total Assets.....	<u>\$ 194,030</u>	<u>\$ 1,741,506</u>	<u>\$ (1,727,686)</u>	<u>\$ 207,850</u>
Liabilities				
Accounts payable and accrued liabilities:				
Intergovernmental payable.....	\$ 4,434	\$ 101,092	\$ (100,518)	\$ 5,008
Funds held for others.....	189,596	545,410	(532,164)	202,842
Total Liabilities.....	<u>\$ 194,030</u>	<u>\$ 646,502</u>	<u>\$ (632,682)</u>	<u>\$ 207,850</u>
Intra-Entity Investment Fund Deposits				
Assets				
Cash and cash equivalents.....	\$ 4,479,403	\$ —	\$ (296,001)	\$ 4,183,402
Investments:				
State Treasurer investment pool.....	40,775	2,465	—	43,240
Securities lending collateral.....	399,316	130,114	—	529,430
Total Assets.....	<u>\$ 4,919,494</u>	<u>\$ 132,579</u>	<u>\$ (296,001)</u>	<u>\$ 4,756,072</u>
Liabilities				
Obligations under securities lending.....	\$ 409,187	\$ 121,579	\$ —	\$ 530,766
Funds held for others.....	4,510,307	—	(285,001)	4,225,306
Total Liabilities.....	<u>\$ 4,919,494</u>	<u>\$ 121,579</u>	<u>\$ (285,001)</u>	<u>\$ 4,756,072</u>
Insurers in Receivership				
Assets				
Cash and cash equivalents.....	\$ 48,362	\$ 349	\$ —	\$ 48,711
Investments:				
Corporate bonds.....	4,331	—	(1,942)	2,389
Receivables:				
Accounts receivable.....	809	—	(228)	581
Total Assets.....	<u>\$ 53,502</u>	<u>\$ 349</u>	<u>\$ (2,170)</u>	<u>\$ 51,681</u>
Liabilities				
Funds held for others.....	\$ 53,502	\$ 349	\$ (2,170)	\$ 51,681
Total Liabilities.....	<u>\$ 53,502</u>	<u>\$ 349</u>	<u>\$ (2,170)</u>	<u>\$ 51,681</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

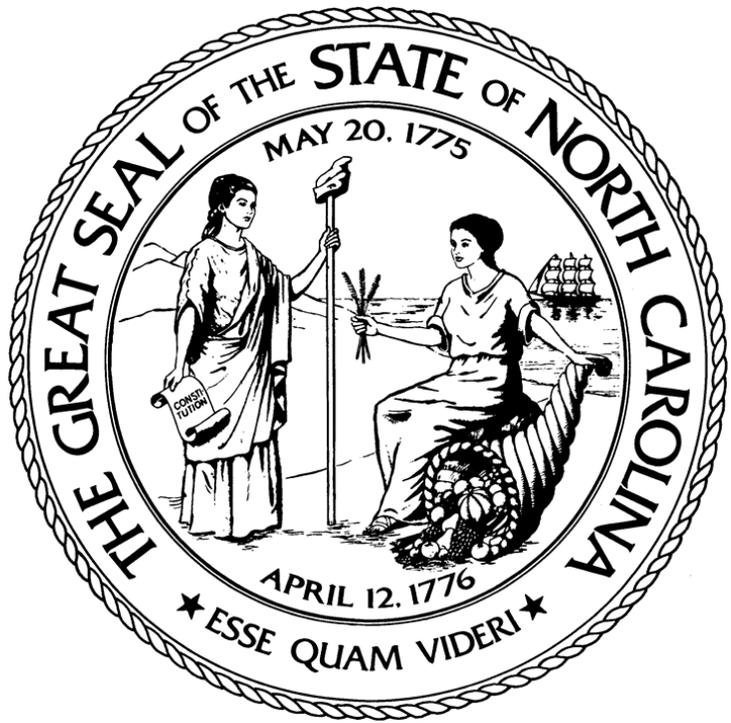
For the Fiscal Year Ended June 30, 2014

Exhibit F-5

(Dollars in Thousands)

	Balance, July 1, 2013 (as restated)	Additions	Deductions	Balance, June 30, 2014
Vehicle Property Tax Collections				
Assets				
Cash and cash equivalents.....	\$ —	\$ 521,639	\$ (458,445)	\$ 63,194
Securities lending collateral.....	—	7,809	(184)	7,625
Receivables:				
Interest receivable.....	—	21	—	21
Total Assets.....	<u>\$ —</u>	<u>\$ 529,469</u>	<u>\$ (458,629)</u>	<u>\$ 70,840</u>
Liabilities				
Accounts payable and accrued liabilities:				
Intergovernmental payable.....	—	565,118	(502,087)	63,031
Obligations under securities lending.....	—	7,809	—	7,809
Total Liabilities.....	<u>\$ —</u>	<u>\$ 572,927</u>	<u>\$ (502,087)</u>	<u>\$ 70,840</u>
Departmental Funds				
Assets				
Cash and cash equivalents.....	\$ 74,753	\$ 420,548	\$ (455,029)	\$ 40,272
Investments:				
Certificates of deposit.....	325	200	—	525
Securities lending collateral.....	2,746	909	—	3,655
Receivables:				
Accounts receivable.....	3,201	4,300	—	7,501
Intergovernmental receivables.....	—	203	(203)	—
Due from other funds.....	14,077	2,815	(5,215)	11,677
Total Assets.....	<u>\$ 95,102</u>	<u>\$ 428,975</u>	<u>\$ (460,447)</u>	<u>\$ 63,630</u>
Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable.....	\$ 370	\$ 374	\$ (494)	\$ 250
Intergovernmental payable.....	60,310	332,298	(365,923)	26,685
Obligations under securities lending.....	2,809	853	—	3,662
Deposits payable.....	1,925	3,653	(3,618)	1,960
Funds held for others.....	29,688	58,213	(56,828)	31,073
Total Liabilities.....	<u>\$ 95,102</u>	<u>\$ 395,391</u>	<u>\$ (426,863)</u>	<u>\$ 63,630</u>
Total Agency Funds				
Assets				
Cash and cash equivalents.....	\$ 5,107,285	\$ 5,104,861	\$ (5,340,972)	\$ 4,871,174
Investments:				
Corporate bonds.....	4,331	—	(1,942)	2,389
Certificates of deposit.....	325	200	—	525
State Treasurer investment pool.....	40,775	2,465	—	43,240
Securities lending collateral.....	402,062	138,832	(184)	540,710
Receivables:				
Taxes receivable.....	135,700	149,500	(135,700)	149,500
Accounts receivable.....	4,399	9,116	(5,046)	8,469
Intergovernmental receivables.....	—	203	(203)	—
Interest receivable.....	—	21	—	21
Due from other funds.....	43,582	28,985	(34,720)	37,847
Sureties.....	97,774	44,464	(41,702)	100,536
Total Assets.....	<u>\$ 5,836,233</u>	<u>\$ 5,478,647</u>	<u>\$ (5,560,469)</u>	<u>\$ 5,754,411</u>
Liabilities				
Accounts payable and accrued liabilities:				
Accounts payable.....	\$ 370	\$ 374	\$ (494)	\$ 250
Intergovernmental payable.....	638,849	3,644,277	(3,584,064)	699,062
Obligations under securities lending.....	411,996	130,241	—	542,237
Deposits payable.....	1,925	3,653	(3,618)	1,960
Funds held for others.....	4,783,093	603,972	(876,163)	4,510,902
Total Liabilities.....	<u>\$ 5,836,233</u>	<u>\$ 4,382,517</u>	<u>\$ (4,464,339)</u>	<u>\$ 5,754,411</u>

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COMPONENT UNITS

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COMPONENT UNITS – DISCRETELY PRESENTED

The component units listed below are legally separate entities for which the State is financially accountable.

Nonmajor component units are comprised of the following entities:

- State Education Assistance Authority
- N.C. Housing Finance Agency
- The Golden LEAF, Inc.
- N.C. State Ports Authority
- N.C. Global TransPark Authority
- North Carolina Railroad Company
- North Carolina Biotechnology Center
- N.C. Partnership for Children, Inc.
- Centennial Authority
- N.C. Health Insurance Risk Pool

This section also includes a statement of cash flows for the State Health Plan, a major component unit, which does not issue separate financial statements.

**COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS**

June 30, 2014

(Dollars in Thousands)

	State Education Assistance Authority	N.C. Housing Finance Agency	The Golden LEAF, Inc.	N.C. State Ports Authority	N.C. Global TransPark Authority
Assets					
Cash and cash equivalents.....	\$ 47,072	\$ 5,692	\$ 637	\$ 5,981	\$ 8,947
Investments.....	—	3,117	955,895	11,854	—
Receivables, net.....	44,318	33,516	—	7,138	15
Due from component units.....	2,508	—	—	—	—
Due from primary government.....	—	71,618	—	—	—
Inventories.....	—	—	—	758	—
Prepaid items.....	53	—	90	1,488	—
Notes receivable, net.....	2,384,708	1,067,183	228	—	—
Restricted/designated cash and cash equivalents.....	383,708	351,799	—	3,215	895
Restricted investments.....	1,553,715	85,991	—	—	—
Capital assets-nondepreciable.....	5,000	208	904	61,121	22,665
Capital assets-depreciable, net.....	71	3,757	2,754	215,044	148,171
Total Assets.....	<u>4,421,153</u>	<u>1,622,881</u>	<u>960,508</u>	<u>306,599</u>	<u>180,693</u>
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives..	—	4,591	—	78	—
Liabilities					
Accounts payable and accrued liabilities.....	22,156	3,582	63,799	1,847	550
Interest payable.....	2,746	17,057	—	1,288	90
Due to component units.....	—	—	11,194	—	—
Due to primary government.....	—	—	—	1,244	1
Unearned revenue.....	—	61,050	—	433	8
Advance from primary government.....	—	—	—	1,286	3,040
Deposits payable.....	—	3,532	—	—	—
Funds held for others.....	1,549,162	—	—	—	3
Hedging derivatives liability.....	—	4,591	—	78	—
Long-term liabilities:					
Due within one year.....	230,277	30,720	14	2,798	4,092
Due in more than one year.....	1,967,672	868,974	25	91,908	3,469
Total Liabilities.....	<u>3,772,013</u>	<u>989,506</u>	<u>75,032</u>	<u>100,882</u>	<u>11,253</u>
Deferred Inflows of Resources					
Deferred state aid.....	95,865	—	—	—	—
Net Position					
Net investment in capital assets.....	5,071	3,965	3,658	182,604	159,904
Restricted for:					
Expendable:					
Higher education.....	481,611	—	—	—	—
Health and human services.....	—	—	—	—	—
Economic development.....	—	620,584	—	3,849	—
Unrestricted.....	66,593	13,417	881,818	19,342	9,536
Total Net Position.....	<u>\$ 553,275</u>	<u>\$ 637,966</u>	<u>\$ 885,476</u>	<u>\$ 205,795</u>	<u>\$ 169,440</u>

North Carolina Railroad Company	North Carolina Biotechnology Center	N.C. Partnership for Children, Inc.	Centennial Authority	N.C. Health Insurance Risk Pool	Total
\$ 6,950	\$ 23,017	\$ 1,109	\$ 2,730	\$ 1,971	\$ 104,106
—	438	1,544	—	—	972,848
2,684	978	890	2,678	1,003	93,220
—	—	—	—	—	2,508
—	—	—	—	—	71,618
—	—	—	—	—	758
33	134	122	41	32	1,993
—	3,071	—	—	—	3,455,190
72,302	—	23	16,410	—	828,352
—	—	—	4,429	—	1,644,135
25,038	—	—	208	—	115,144
60,317	10,882	133	115,576	—	556,705
<u>167,324</u>	<u>38,520</u>	<u>3,821</u>	<u>142,072</u>	<u>3,006</u>	<u>7,846,577</u>
—	—	—	—	—	4,669
8,865	9,277	1,026	476	408	111,986
—	—	—	—	—	21,181
—	—	—	—	—	11,194
—	—	—	—	—	1,245
11,443	—	862	536	—	74,332
—	—	—	—	—	4,326
48	—	—	—	—	3,580
—	—	66	—	27	1,549,258
—	—	—	—	—	4,669
—	23	37	4,348	—	272,309
—	16	101	24,169	—	2,956,334
<u>20,356</u>	<u>9,316</u>	<u>2,092</u>	<u>29,529</u>	<u>435</u>	<u>5,010,414</u>
—	—	—	—	—	95,865
85,355	10,843	133	87,266	—	538,799
—	—	—	—	—	481,611
—	—	41	—	—	41
72,280	781	—	20,395	—	717,889
(10,667)	17,580	1,555	4,882	2,571	1,006,627
<u>\$ 146,968</u>	<u>\$ 29,204</u>	<u>\$ 1,729</u>	<u>\$ 112,543</u>	<u>\$ 2,571</u>	<u>\$ 2,744,967</u>

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS**

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	State Education Assistance Authority	N.C. Housing Finance Agency	The Golden LEAF, Inc.	N.C. State Ports Authority	N.C. Global TransPark Authority
Total expenses.....	\$ 249,120	\$ 404,281	\$ 52,343	\$ 53,412	\$ 9,111
Program revenues:					
Charges for services.....	63,056	392,452	5	39,389	2,886
Operating grants and contributions:					
State aid - program.....	105,482	52,410	—	—	—
Other operating grants and contributions...	79,107	—	124,701	128	36
Capital grants and contributions:					
State capital aid.....	—	—	—	—	—
Other capital grants and contributions.....	—	—	—	662	—
Net program (expense) revenue.....	<u>(1,475)</u>	<u>40,581</u>	<u>72,363</u>	<u>(13,233)</u>	<u>(6,189)</u>
Non-tax general revenues:					
State aid - general.....	—	8,308	—	—	1,000
Miscellaneous.....	—	—	—	—	—
Total non-tax general revenues.....	<u>—</u>	<u>8,308</u>	<u>—</u>	<u>—</u>	<u>1,000</u>
Change in net position.....	<u>(1,475)</u>	<u>48,889</u>	<u>72,363</u>	<u>(13,233)</u>	<u>(5,189)</u>
Net position — July 1, as restated.....	554,750	589,077	813,113	219,028	174,629
Net position — June 30.....	<u>\$ 553,275</u>	<u>\$ 637,966</u>	<u>\$ 885,476</u>	<u>\$ 205,795</u>	<u>\$ 169,440</u>

North Carolina Railroad Company	North Carolina Biotechnology Center	N.C. Partnership for Children, Inc.	Centennial Authority	N.C. Health Insurance Risk Pool	Total
\$ 36,087	\$ 15,635	\$ 99,611	\$ 12,585	\$ 49,519	\$ 981,704
16,964	305	—	4,986	26,686	546,729
—	—	90,652	—	15,208	263,752
810	1,605	3,340	7,648	18	217,393
1	—	—	—	—	1
—	—	—	2,021	—	2,683
(18,312)	(13,725)	(5,619)	2,070	(7,607)	48,854
—	12,600	4,915	—	—	26,823
1,197	155	216	202	—	1,770
1,197	12,755	5,131	202	—	28,593
(17,115)	(970)	(488)	2,272	(7,607)	77,447
164,083	30,174	2,217	110,271	10,178	2,667,520
<u>\$ 146,968</u>	<u>\$ 29,204</u>	<u>\$ 1,729</u>	<u>\$ 112,543</u>	<u>\$ 2,571</u>	<u>\$ 2,744,967</u>

STATEMENT OF CASH FLOWS
MAJOR COMPONENT UNIT

June 30, 2014

Exhibit G-3

(Dollars in Thousands)

	State Health Plan
Cash Flows From Operating Activities	
Receipts from customers.....	\$ 2,943,012
Payments to suppliers.....	(222,707)
Payments to employees.....	(3,752)
Payments for prizes, benefits, and claims.....	(2,620,966)
Other payments.....	(160)
Net cash flows provided (used) by operating activities.....	<u>95,427</u>
Cash Provided From (Used For)	
Noncapital Financing Activities	
Grant receipts	<u>75,782</u>
Cash Provided From (Used For)	
Investment Activities	
Investment earnings.....	<u>3,861</u>
Net increase (decrease) in cash and cash equivalents.....	175,070
Cash and cash equivalents at July 1.....	<u>783,488</u>
Cash and cash equivalents at June 30.....	<u>\$ 958,558</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided From (Used For) Operating Activities	
Operating income.....	\$ 103,065
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation.....	4
(Increases) decreases in assets:	
Receivables.....	1,981
Increases (decreases) in liabilities:	
Accounts payable and accrued liabilities.....	(2,565)
Due to primary government.....	(3)
Compensated absences.....	53
Unearned revenue.....	5,547
Medical claims payable.....	<u>(12,655)</u>
Total cash provided from (used for) operations.....	<u>\$ 95,427</u>



STATISTICAL SECTION

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Index to Statistical Section

This part of the State of North Carolina's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

NET POSITION BY COMPONENT

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities:					
Net investment in capital assets.....	\$ 42,197,283	\$ 40,394,260	\$ 38,705,712	\$ 37,338,472	\$ 35,658,528
Restricted.....	863,707	852,901	703,781	730,021	704,715
Unrestricted.....	(2,181,244)	(3,042,454)	(3,594,082)	(3,792,148)	(4,160,273)
Total Governmental Activities Net Position [1].....	<u>\$ 40,879,746</u>	<u>\$ 38,204,707</u>	<u>\$ 35,815,411</u>	<u>\$ 34,276,345</u>	<u>\$ 32,202,970</u>
Business-type Activities:					
Net investment in capital assets.....	\$ 433,740	\$ 410,031	\$ 391,831	\$ 294,172	\$ 173,375
Restricted.....	894	995	1,468	3,131	1,081,220
Unrestricted.....	1,035,602	(250,294)	(661,669)	(766,888)	(1,626,663)
Total Business-type Activities Net Position.....	<u>\$ 1,470,236</u>	<u>\$ 160,732</u>	<u>\$ (268,370)</u>	<u>\$ (469,585)</u>	<u>\$ (372,068)</u>
Primary Government:					
Net investment in capital assets.....	\$ 42,631,023	\$ 40,804,291	\$ 39,097,543	\$ 37,632,644	\$ 35,831,903
Restricted.....	864,601	853,896	705,249	733,152	1,785,935
Unrestricted.....	(1,145,642)	(3,292,748)	(4,255,751)	(4,559,036)	(5,786,936)
Total Primary Government Net Position.....	<u>\$ 42,349,982</u>	<u>\$ 38,365,439</u>	<u>\$ 35,547,041</u>	<u>\$ 33,806,760</u>	<u>\$ 31,830,902</u>

[1] For fiscal year ended June 30, 2006, the State changed its methodology for applying GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions to individual income taxes. The State now reports an estimate of underpayments of individual income taxes. The State has also changed its method to estimate overpayments of individual income taxes (i.e., income tax refunds payable and applied refunds). For the purpose of reporting underpayments, the availability period for General Fund individual income taxes was extended from thirty-one days to twelve months after year-end. Where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., income tax refunds payable and applied refunds).

Table 1

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 34,101,091	\$ 30,984,578	\$ 29,715,168	\$ 28,052,926	\$ 26,434,617
714,014	877,915	1,094,352	890,602	1,314,397
(4,427,748)	(1,856,140)	(993,478)	(1,310,486)	(3,839,972)
<u>\$ 30,387,357</u>	<u>\$ 30,006,353</u>	<u>\$ 29,816,042</u>	<u>\$ 27,633,042</u>	<u>\$ 23,909,042</u>
\$ 73,924	\$ 32,063	\$ 26,673	\$ 26,975	\$ 44,007
1,003,613	1,773,018	1,612,943	1,286,477	970,615
(201,590)	91,219	74,860	75,108	76,988
<u>\$ 875,947</u>	<u>\$ 1,896,300</u>	<u>\$ 1,714,476</u>	<u>\$ 1,388,560</u>	<u>\$ 1,091,610</u>
\$ 34,175,015	\$ 31,016,641	\$ 29,741,841	\$ 28,079,901	\$ 26,478,624
1,717,627	2,650,933	2,707,295	2,177,079	2,285,012
(4,629,338)	(1,764,921)	(918,618)	(1,235,378)	(3,762,984)
<u>\$ 31,263,304</u>	<u>\$ 31,902,653</u>	<u>\$ 31,530,518</u>	<u>\$ 29,021,602</u>	<u>\$ 25,000,652</u>

CHANGES IN NET POSITION

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Governmental Activities:					
General government.....	\$ 1,076,898	\$ 1,034,277	\$ 937,353	\$ 1,209,923	\$ 1,065,584
Primary and secondary education.....	9,772,994	9,830,464	9,760,909	10,024,775	9,830,183
Higher education.....	3,901,543	3,986,465	4,238,695	4,350,475	4,232,266
Health and human services.....	17,812,888	18,313,335	17,752,493	16,859,438	16,762,910
Economic development.....	420,464	595,248	667,106	744,703	916,224
Environment and natural resources.....	484,718	515,496	470,965	596,227	526,178
Public safety, corrections, and regulation.....	2,911,146	2,907,980	2,976,448	2,729,418	2,616,888
Transportation.....	2,607,663	2,490,991	2,400,599	2,177,062	1,998,234
Agriculture.....	191,242	187,608	188,985	114,275	118,847
Interest on long-term debt.....	216,521	233,606	282,542	306,696	281,058
Total Governmental Activities Expenses.....	<u>39,396,077</u>	<u>40,095,470</u>	<u>39,676,095</u>	<u>39,112,992</u>	<u>38,348,372</u>
Business-type Activities:					
Unemployment Compensation.....	700,190	2,496,445	3,283,900	4,420,762	5,568,561
N.C. State Lottery..... [2]	1,341,219	1,215,944	1,141,941	1,028,536	994,168
EPA Revolving Loan.....	27,789	23,711	14,026	42,897	30,940
N.C. Turnpike Authority..... [4]	88,278	95,897	17,565	4,940	4,990
Regulatory programs.....	75,734	76,447	69,980	80,454	67,330
Insurance programs.....	18,427	17,591	38,701	36,885	13,118
North Carolina State Fair.....	13,957	13,441	13,030	13,595	12,794
Other business-type activities.....	12,823	13,400	12,084	9,148	9,563
Total Business-type Activities Expenses.....	<u>2,278,417</u>	<u>3,952,876</u>	<u>4,591,227</u>	<u>5,637,217</u>	<u>6,701,464</u>
Total Primary Government Expenses.....	<u>\$ 41,674,494</u>	<u>\$ 44,048,346</u>	<u>\$ 44,267,322</u>	<u>\$ 44,750,209</u>	<u>\$ 45,049,836</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
Transportation.....	\$ 730,048	\$ 706,231	\$ 685,596	\$ 709,064	\$ 705,025
Public safety, corrections, and regulation.....	582,445	604,447	594,377	540,280	511,912
General government.....	242,809	228,054	218,011	195,286	356,602
Other activities.....	648,411	662,172	598,279	631,464	502,204
Operating grants and contributions.....	15,261,306	15,767,596	15,605,227	15,632,256	15,837,802
Capital grants and contributions.....	1,260,306	1,010,889	977,961	1,198,549	711,433
Total Governmental Activities Program Revenues.....	<u>18,725,325</u>	<u>18,979,389</u>	<u>18,679,451</u>	<u>18,906,899</u>	<u>18,624,978</u>
Business-type Activities:					
Charges for services:					
Unemployment Compensation.....	1,651,108	1,535,068	1,473,576	1,294,104	1,045,288
N.C. State Lottery..... [2]	1,844,636	1,695,009	1,601,837	1,464,639	1,424,458
EPA Revolving Loan.....	22,603	19,490	23,366	20,388	19,874
N.C. Turnpike Authority..... [4]	24,725	13,499	664	—	—
Regulatory programs.....	79,744	78,557	70,732	80,008	71,355
Insurance programs.....	10,780	19,275	17,547	16,046	16,320
North Carolina State Fair.....	14,828	14,506	14,470	14,915	12,639
Other business-type activities.....	10,781	10,681	10,578	10,771	8,678
Operating grants and contributions.....	346,581	1,423,525	1,966,023	2,998,116	3,251,109
Capital grants and contributions.....	11,942	21,109	15,436	11,687	7,771
Total Business-type Activities Program Revenues.....	<u>4,017,728</u>	<u>4,830,719</u>	<u>5,194,229</u>	<u>5,910,674</u>	<u>5,857,492</u>
Total Primary Government Program Revenues.....	<u>\$ 22,743,053</u>	<u>\$ 23,810,108</u>	<u>\$ 23,873,680</u>	<u>\$ 24,817,573</u>	<u>\$ 24,482,470</u>
Net (Expense) Revenue					
Governmental Activities.....	\$ (20,670,752)	\$ (21,116,081)	\$ (20,996,644)	\$ (20,206,093)	\$ (19,723,394)
Business-type Activities.....	1,739,311	877,843	603,002	273,457	(843,972)
Total Primary Government Net Expense.....	<u>\$ (18,931,441)</u>	<u>\$ (20,238,238)</u>	<u>\$ (20,393,642)</u>	<u>\$ (19,932,636)</u>	<u>\$ (20,567,366)</u>

Table 2

2009	2008	2007	2006	2005
\$ 1,429,407	\$ 1,232,088	\$ 1,264,132	\$ 1,039,513	\$ 917,209
10,079,691	10,631,920	9,126,169	8,215,445	7,699,208
3,951,862	4,207,410	4,500,010	3,472,024	3,576,384
16,172,213	14,951,585	14,117,426	13,491,119	13,375,794
636,431	746,471	624,106	647,434	625,561
717,666	753,909	672,726	676,049	570,241
2,741,308	2,627,007	2,465,974	2,304,900	2,125,385
138,007	1,941,207	2,019,942	1,781,865	1,795,490
110,268	119,297	88,970	112,467	81,628
289,211	304,020	273,123	264,287	249,433
<u>36,266,064</u>	<u>37,514,914</u>	<u>35,152,578</u>	<u>32,005,103</u>	<u>31,016,333</u>
3,255,448	1,002,866	864,981	849,945	824,934
877,403	712,718	559,373	153,125	—
7,868	12,454	14,228	11,414	7,170
3,847	—	—	—	—
37,644	34,791	31,144	28,526	25,974
14,986	17,556	23,892	16,051	13,580
13,803	12,828	11,433	10,497	10,759
7,324	6,364	5,686	10,255	9,753
<u>4,218,323</u>	<u>1,799,577</u>	<u>1,510,737</u>	<u>1,079,813</u>	<u>892,170</u>
<u>\$ 40,484,387</u>	<u>\$ 39,314,491</u>	<u>\$ 36,663,315</u>	<u>\$ 33,084,916</u>	<u>\$ 31,908,503</u>
\$ 740,353	\$ 777,059	\$ 782,405	\$ 725,311	\$ 588,357
510,159	501,837	429,824	411,188	378,059
329,507	365,920	480,378	339,053	202,514
535,100	536,419	467,769	512,449	503,552
14,005,529	12,301,356	12,026,012	11,503,844	11,380,864
1,035,742	826,646	758,910	914,090	1,011,451
<u>17,156,390</u>	<u>15,309,237</u>	<u>14,945,298</u>	<u>14,405,935</u>	<u>14,064,797</u>
1,076,294	1,091,856	1,099,959	1,101,357	1,062,549
1,288,102	1,053,131	866,195	216,906	—
17,370	17,297	16,400	15,237	14,078
—	—	—	—	—
33,982	37,163	29,347	33,550	32,223
17,208	16,991	13,901	14,860	15,993
12,520	15,029	11,617	12,581	12,227
8,365	6,498	5,887	7,973	8,906
1,110,849	83,695	106,000	64,085	54,760
41,398	6,589	142	258	452
<u>3,606,088</u>	<u>2,328,249</u>	<u>2,149,448</u>	<u>1,466,807</u>	<u>1,201,188</u>
<u>\$ 20,762,478</u>	<u>\$ 17,637,486</u>	<u>\$ 17,094,746</u>	<u>\$ 15,872,742</u>	<u>\$ 15,265,985</u>
\$ (19,109,674)	\$ (22,205,677)	\$ (20,207,280)	\$ (17,599,168)	\$ (16,951,536)
(612,235)	528,672	638,711	386,994	309,018
<u>\$ (19,721,909)</u>	<u>\$ (21,677,005)</u>	<u>\$ (19,568,569)</u>	<u>\$ (17,212,174)</u>	<u>\$ (16,642,518)</u>

[1] For fiscal year ended June 30, 2006, the State changed its methodology for applying GASB Statement No. 33, Accounting and Financial Reporting or Nonexchange Transactions to individual income taxes. The State now reports an estimate of underpayments of individual income taxes. The State has also changed its method to estimate overpayments of individual income taxes (i.e., income tax refunds payable and applied refunds). For the purpose of reporting underpayments, the availability period for General Fund individual income taxes was extended from thirty-one days to twelve months after year-end. Where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., income tax refunds payable and applied refunds).

[2] N.C. State Lottery established in 2006.

[3] Prior to 2007 tobacco products tax was included in other tax. A significant increase in the tobacco products tax rate determined the need to present tobacco products tax separately beginning 2007.

[4] For fiscal year 2010, N.C. Turnpike Authority is a major enterprise fund. Prior to 2010, it was included with other component units.

Continued

CHANGES IN NET POSITION (Continued)

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Individual income tax..... [1]	\$ 10,576,575	\$ 11,113,597	\$ 10,459,307	\$ 10,020,535	\$ 9,345,441
Corporate income tax.....	1,318,091	1,194,850	1,233,989	1,132,931	1,252,800
Sales and use tax.....	5,839,362	5,556,484	5,530,046	6,172,377	5,916,119
Gasoline tax.....	1,907,803	1,889,439	1,892,163	1,675,476	1,557,430
Franchise tax.....	888,815	845,130	804,973	794,091	904,651
Highway use tax.....	596,801	555,581	506,211	469,811	439,506
Insurance tax.....	476,402	540,844	479,755	501,032	506,990
Beverage tax.....	342,784	330,918	322,190	311,809	295,383
Inheritance tax.....	-	113,721	57,839	24,184	71,731
Tobacco products tax..... [3]	273,426	287,340	293,597	291,699	278,406
Other taxes.....	348,938	305,726	294,516	301,217	321,945
Tobacco settlement.....	139,169	213,078	146,135	131,318	145,539
Unrestricted investment earnings.....	19,452	13,621	(56,055)	32,980	28,645
Miscellaneous.....	184,502	44,837	41,960	45,014	37,253
Contributions to permanent funds.....	3,861	2,834	3,297	3,188	3,101
Transfers.....	429,810	448,733	401,740	371,424	434,067
Total Governmental Activities.....	<u>23,345,791</u>	<u>23,456,733</u>	<u>22,411,663</u>	<u>22,279,086</u>	<u>21,539,007</u>
Business-type Activities:					
Miscellaneous.....	3	7	—	3	—
Transfers.....	(429,810)	(448,733)	(401,740)	(371,424)	(434,067)
Total Business-type Activities.....	<u>(429,807)</u>	<u>(448,726)</u>	<u>(401,740)</u>	<u>(371,421)</u>	<u>(434,067)</u>
Total Primary Government.....	<u>\$ 22,915,984</u>	<u>\$ 23,008,007</u>	<u>\$ 22,009,923</u>	<u>\$ 21,907,665</u>	<u>\$ 21,104,940</u>
Change in Net Position					
Governmental Activities.....	\$ 2,675,039	\$ 2,340,652	\$ 1,415,019	\$ 2,072,993	\$ 1,815,613
Business-type Activities.....	1,309,504	429,117	201,262	(97,964)	(1,278,039)
Total Primary Government.....	<u>\$ 3,984,543</u>	<u>\$ 2,769,769</u>	<u>\$ 1,616,281</u>	<u>\$ 1,975,029</u>	<u>\$ 537,574</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 8,661,565	\$ 10,676,156	\$ 10,739,562	\$ 9,336,745	\$ 8,244,275
997,206	1,357,670	1,466,148	1,306,193	1,143,458
4,911,656	5,159,453	5,108,456	5,033,040	4,621,098
1,523,496	1,579,847	1,601,764	1,514,626	1,354,699
799,113	738,741	671,151	628,029	613,033
440,749	566,132	607,511	577,237	580,118
500,438	505,936	487,081	442,297	442,228
263,553	258,193	245,990	233,315	220,782
103,811	158,178	162,746	133,158	135,107
242,071	249,664	241,687	—	—
316,819	339,109	330,888	482,552	306,991
175,838	168,583	144,075	140,969	148,800
66,863	238,239	211,663	123,170	78,546
62,799	49,345	47,015	37,248	53,488
3,248	3,894	3,928	4,674	2,288
422,399	346,848	312,810	67,978	(11,620)
<u>19,491,624</u>	<u>22,395,988</u>	<u>22,382,475</u>	<u>20,061,231</u>	<u>17,933,291</u>
—	—	15	4	79
(422,399)	(346,848)	(312,810)	(67,978)	11,620
<u>(422,399)</u>	<u>(346,848)</u>	<u>(312,795)</u>	<u>(67,974)</u>	<u>11,699</u>
<u>\$ 19,069,225</u>	<u>\$ 22,049,140</u>	<u>\$ 22,069,680</u>	<u>\$ 19,993,257</u>	<u>\$ 17,944,990</u>
\$ 381,950	\$ 190,311	\$ 2,175,195	\$ 2,462,063	\$ 981,755
(1,034,634)	181,824	325,916	319,020	320,717
<u>\$ (652,684)</u>	<u>\$ 372,135</u>	<u>\$ 2,501,111</u>	<u>\$ 2,781,083</u>	<u>\$ 1,302,472</u>

FUND BALANCES OF GOVERNMENTAL FUNDS

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
				[2]		
General Fund						
Reserved.....	\$ —	\$ —	\$ —	\$ —	\$ 224,358	\$ 189,288
Unreserved.....	—	—	—	—	(338,738)	(966,861)
Nonspendable.....	73,958	75,153	81,395	93,482	—	—
Restricted.....	83,885	130,411	140,032	81,815	—	—
Committed.....	907,176	910,629	889,584	1,115,156	—	—
Assigned.....	283,280	30,957	—	—	—	—
Unassigned.....	195,237	150,713	(62,042)	(107,348)	—	—
Total General Fund [1].....	<u>\$ 1,543,536</u>	<u>\$ 1,297,863</u>	<u>\$ 1,048,969</u>	<u>\$ 1,183,105</u>	<u>\$ (114,380)</u>	<u>\$ (777,573)</u>
All Other Governmental Funds						
Reserved.....	\$ —	\$ —	\$ —	\$ —	\$ 994,418	\$ 1,209,650
Unreserved, reported in:						
Special revenue funds.....	—	—	—	—	2,321,665	2,337,370
Capital projects funds.....	—	—	—	—	10,311	(2,738)
Permanent funds.....	—	—	—	—	7,141	1,907
Nonspendable.....	216,528	210,307	218,674	198,830	—	—
Restricted.....	768,448	923,253	807,205	896,515	—	—
Committed.....	1,713,790	1,409,097	1,402,286	1,343,103	—	—
Assigned.....	—	778	496	—	—	—
Unassigned.....	—	—	(1,311)	(1,627)	—	—
Total all other governmental funds....	<u>\$ 2,698,766</u>	<u>\$ 2,543,435</u>	<u>\$ 2,427,350</u>	<u>\$ 2,436,821</u>	<u>\$ 3,333,535</u>	<u>\$ 3,546,189</u>

Table 3

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 172,909	\$ 208,932	\$ 155,948	\$ 172,633
1,505,230	2,397,786	1,810,452	(251,442)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
<u>\$ 1,678,139</u>	<u>\$ 2,606,718</u>	<u>\$ 1,966,400</u>	<u>\$ (78,809)</u>
\$ 1,182,723	\$ 1,014,757	\$ 951,701	\$ 911,966
2,517,529	2,524,643	2,204,146	2,170,533
280,939	224,991	115,060	44,237
2,312	1,598	1,518	2,645
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
<u>\$ 3,983,503</u>	<u>\$ 3,765,989</u>	<u>\$ 3,272,425</u>	<u>\$ 3,129,381</u>

[1] For fiscal year ended June 30, 2006, the State changed its methodology for applying GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions to individual income taxes. The State now reports an estimate of underpayments of individual income taxes. The State has also changed its method to estimate overpayments of individual income taxes (i.e., income tax refunds payable and applied refunds). For the purpose of reporting underpayments, the availability period for General Fund individual income taxes was extended from thirty-one days to twelve months after year-end. Where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., income tax refunds payable and applied refunds).

[2] For fiscal year ended June 30, 2011, GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented. Fiscal years prior to 2011 have not been restated.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	2014	2013	2012	2011	2010
<u>Revenues</u>					
Taxes.....	[1] \$ 22,605,977	\$ 22,769,317	\$ 21,816,945	\$ 21,689,379	\$ 20,866,244
Federal funds.....	15,967,504	16,161,532	15,626,696	14,215,501	13,688,504
Local funds.....	173,727	186,327	188,405	186,944	218,162
Investment earnings.....	76,144	41,259	50,612	100,104	198,633
Interest earnings on loans.....	1,797	3,684	3,347	4,104	4,543
Sales and services.....	312,872	304,179	292,705	276,663	263,010
Rental and lease of property.....	23,791	27,559	26,574	25,165	22,122
Fees, licenses and fines.....	1,597,517	1,574,727	1,547,973	1,496,606	1,553,923
Tobacco settlement.....	139,937	211,162	140,979	138,256	146,358
Contributions, gifts, and grants.....	99,672	74,857	65,954	109,170	85,868
Funds escheated.....	106,760	112,671	68,207	111,481	70,381
Federal recovery funds.....	236,869	273,192	658,570	2,265,393	2,391,851
Miscellaneous.....	321,281	184,763	146,204	158,945	164,685
Total revenues.....	41,663,848	41,925,229	40,633,171	40,777,711	39,674,284
<u>Expenditures</u>					
Current:					
General government.....	1,036,518	986,897	901,654	1,000,101	962,187
Primary and secondary education.....	9,749,844	9,818,572	9,738,102	10,000,438	9,850,462
Higher education.....	3,900,386	3,986,575	4,237,649	4,350,683	4,225,806
Health and human services.....	17,901,879	18,416,229	17,854,993	16,914,978	16,816,099
Economic development.....	442,364	571,037	667,057	741,447	915,038
Environment and natural resources.....	456,099	455,894	429,882	603,112	554,628
Public safety, corrections, and regulation.....	2,896,879	2,899,287	2,937,742	2,751,665	2,659,683
Transportation.....	4,152,663	3,992,200	3,801,196	3,660,069	3,253,258
Agriculture.....	179,848	171,196	181,387	113,153	112,902
Capital outlay.....	127,634	182,107	231,688	364,121	341,058
Debt service:					
Principal retirement.....	[2] 553,016	1,261,685	514,195	1,026,602	498,563
Interest and fees.....	[2] 331,451	461,739	346,540	393,432	322,287
Debt issuance costs.....	1,193	6,605	7,074	4,178	1,310
Total expenditures.....	41,729,774	43,210,023	41,849,159	41,923,979	40,513,281
Excess revenues over (under) expenditures.....	(65,926)	(1,284,794)	(1,215,988)	(1,146,268)	(838,997)
<u>Other Financing Sources (Uses)</u>					
Bonds issued.....	—	—	—	—	487,700
Special Indebtedness issued.....	—	250,000	400,000	500,000	—
GARVEE bonds issued.....	—	—	179,540	—	242,250
Refunding bonds issued.....	506,255	1,320,970	367,350	774,745	371,920
Other debt issued.....	6,733	9,380	15,825	—	9,098
Premium on debt issued.....	98,789	284,428	131,892	191,035	140,876
Payments to refunded bond escrow agent.....	(603,550)	(748,022)	(428,830)	(370,982)	(435,870)
Capital leases.....	—	—	—	—	—
Sale of capital assets.....	14,939	12,939	12,889	12,118	11,994
Insurance recoveries.....	15,975	9,925	16,444	7,319	7,414
Transfers in.....	1,233,471	1,112,704	1,115,417	1,131,568	2,330,816
Transfers out.....	(805,682)	(651,195)	(715,002)	(698,321)	(1,876,502)
Total other financing sources (uses).....	466,930	1,601,129	1,095,525	1,547,482	1,289,696
Net change in fund balances.....	\$ 401,004	\$ 316,335	\$ (120,463)	\$ 401,214	\$ 450,699
Debt service as a percentage of noncapital expenditures..	2.25%	4.24%	2.18%	3.61%	2.14%

All governmental fund types consist of the General Fund, special revenue funds, capital projects funds, and permanent funds.

Table 4

2009	2008	2007	2006	2005
\$ 18,752,674	\$ 21,583,521	\$ 21,660,719	\$ 19,848,465	\$ 17,618,730
13,387,611	12,096,354	11,519,927	11,315,722	11,287,454
349,303	527,325	725,542	610,501	767,067
95,288	620,829	669,297	384,014	292,406
4,989	5,156	5,639	5,405	5,664
279,025	285,848	264,081	260,538	235,894
25,398	27,737	28,722	25,982	38,585
1,602,471	1,593,893	1,525,928	1,405,569	1,218,431
175,187	159,954	142,825	136,453	148,641
137,537	140,575	155,958	118,936	108,450
27,399	74,743	214,500	108,075	49,684
1,164,674	N/A	N/A	N/A	N/A
184,839	167,449	122,161	161,052	146,529
<u>36,186,395</u>	<u>37,283,384</u>	<u>37,035,299</u>	<u>34,380,712</u>	<u>31,917,535</u>
1,299,637	1,167,090	1,102,512	963,899	754,175
10,111,797	9,879,602	9,087,905	8,211,998	7,713,265
3,951,689	4,207,164	4,405,767	3,471,604	3,576,766
16,222,160	14,918,068	14,203,474	13,318,071	13,376,364
634,369	747,728	623,038	643,510	622,000
699,273	689,119	662,296	626,442	579,853
2,681,833	2,629,567	2,467,763	2,291,596	2,123,837
3,266,494	3,473,718	3,296,301	3,219,549	3,511,161
111,506	117,380	92,062	110,626	82,508
369,326	346,764	451,716	270,882	313,932
474,323	427,550	417,807	367,946	303,818
326,287	329,813	306,410	288,088	241,936
3,031	2,141	2,456	1,645	7,454
<u>40,151,725</u>	<u>38,935,704</u>	<u>37,119,507</u>	<u>33,785,856</u>	<u>33,207,069</u>
<u>(3,965,330)</u>	<u>(1,652,320)</u>	<u>(84,208)</u>	<u>594,856</u>	<u>(1,289,534)</u>
—	—	502,745	370,000	1,075,140
600,000	275,000	300,000	—	188,385
—	287,565	—	—	—
—	—	84,385	—	959,665
1,533	7,425	2,897	30,688	12,686
31,371	21,843	40,867	16,338	210,116
—	—	(85,519)	—	(1,059,663)
—	—	799	26,745	212
13,079	29,570	15,898	20,131	14,674
8,568	7,317	5,700	6,537	—
2,727,741	2,567,141	2,340,937	1,784,222	1,754,448
<u>(2,309,101)</u>	<u>(2,223,438)</u>	<u>(2,030,162)</u>	<u>(1,718,585)</u>	<u>(1,760,801)</u>
<u>1,073,191</u>	<u>972,423</u>	<u>1,178,547</u>	<u>536,076</u>	<u>1,394,862</u>
<u>\$ (2,892,139)</u>	<u>\$ (679,897)</u>	<u>\$ 1,094,339</u>	<u>\$ 1,130,932</u>	<u>\$ 105,328</u>
2.12%	2.07%	2.06%	2.08%	1.78%

[1] For fiscal year ended June 30, 2006, the State changed its methodology for applying GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions to individual income taxes. The State now reports an estimate of underpayments of individual income taxes. The State has also changed its method to estimate overpayments of individual income taxes (i.e., income tax refunds payable and applied refunds). For the purpose of reporting underpayments, the availability period for General Fund individual income taxes was extended from thirty-one days to twelve months after year-end. Where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., income tax refunds payable and applied refunds).

[2] For the fiscal year ended June 30, 2011, principal retirement expenditures include payments for a current refunding of \$499.87 million and interest and fees expenditures include payments of \$49.9 million to terminate interest rate swaps. If these amounts were excluded, debt service as a percentage of noncapital expenditures would be 2.24%. For the fiscal year ended June 30, 2013, principal retirement expenditures include payments for a current refunding of \$695.96 million and interest and fees expenditures include net payments of \$124.91 million to terminate basis swaps and swaptions. If these amounts were excluded, debt service as a percentage of noncapital expenditures would be 2.26%.

N/A = Data not available

SCHEDULE OF REVENUES BY SOURCE — GENERAL FUND

For the Fiscal Years 2005-2014

(Dollars in Thousands)

		<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
TAX REVENUES					[3]	
Individual income tax.....	[1]	\$ 10,576,575	\$ 11,111,462	\$ 10,457,217	\$ 10,018,039	\$ 9,343,303
Corporate income tax.....		1,331,934	1,224,702	1,194,865	1,139,584	1,245,515
Sales and use tax.....		5,838,079	5,554,065	5,516,304	6,133,915	5,871,166
Franchise tax.....		890,692	857,867	797,596	793,094	904,959
Beverage tax.....		342,955	330,711	322,194	311,814	295,349
Insurance tax.....		476,402	521,510	463,574	485,989	495,059
Piped natural gas.....		55,661	47,145	45,328	54,868	59,693
Inheritance tax.....		19,296	111,510	58,238	23,880	71,901
Tobacco products tax.....		277,736	283,629	293,286	290,743	278,296
License tax.....		47,612	44,378	45,577	48,924	41,338
Real estate conveyance tax.....		50,424	—	—	—	—
Gift tax.....		526	829	181	2,973	12,036
Manufacturing tax.....		36,743	36,447	36,321	33,013	32,125
Other taxes.....		36,390	27,998	25,118	26,822	23,943
Total tax revenues.....		19,981,025	20,152,253	19,255,799	19,363,658	18,674,683
NON-TAX REVENUES						
Federal Funds:						
Departmental revenues.....		14,526,468	14,878,307	14,433,383	12,828,192	12,825,403
Federal recovery funds.....		151,757	182,756	421,815	1,791,264	1,961,425
		14,678,225	15,061,063	14,855,198	14,619,456	14,786,828
Local Funds:						
Departmental revenues.....		144,826	158,413	164,679	149,545	153,234
Investment Earnings:						
Income from General Fund investments.....		17,458	12,991	13,533	30,925	36,877
Income from securities lending.....	[2]	6,853	9,125	(1,590)	9,527	49,733
Departmental revenues.....		2,481	2,597	4,014	7,295	3,264
Other investment earnings.....		—	—	—	—	—
		26,792	24,713	15,957	47,747	89,874
Interest Earnings on Loans:						
Departmental revenues.....		1,098	2,883	2,445	3,133	202
Sales and Services:						
Departmental revenues.....		158,684	140,603	137,527	130,166	97,323
Other non-tax revenues.....		87	80	92	112	116
		158,771	140,683	137,619	130,278	97,439
Rental and Lease of Property:						
Proceeds from rental and lease of property.....		117	94	85	88	67
Departmental revenues.....		9,966	10,210	10,348	11,523	8,810
		10,083	10,304	10,433	11,611	8,877
Fees, Licenses and Fines:						
Court fines and fees.....		236,790	250,789	258,968	225,710	216,772
Secretary of State service fees.....		94,923	89,994	85,062	76,451	81,221
Banking and investment fees.....		7,568	6,107	6,690	6,092	5,955
Self insurer fees (Industrial Commission).....		15,151	15,138	15,169	15,176	15,497
Probation supervision fees.....		14,579	15,566	16,134	15,000	11,892
Department of Insurance fees.....		40,603	39,224	39,100	38,174	38,271
DWI service and restoration fees.....		8,033	8,590	8,946	8,928	7,638
Departmental revenues.....		287,233	288,922	252,398	217,191	212,260
Fines from tax collection activity.....		—	—	—	—	78,090
Other non-tax revenues.....		8,895	9,696	8,086	4,750	6,912
		713,775	724,026	690,553	607,472	674,508
Tobacco settlement:						
Tobacco settlement.....		139,937	211,162	140,979	138,256	146,358
Contributions, Gifts and Grants:						
Departmental revenues.....		26,441	21,487	20,452	22,591	20,391
Other non-tax revenues.....		—	—	—	—	—
		26,441	21,487	20,452	22,591	20,391
Miscellaneous:						
Local sales and use tax administration.....		9,388	8,942	12,177	13,692	14,603
Sales tax refunds.....		3,716	2,826	3,555	2,432	2,134
Departmental revenues.....		214,371	104,432	103,317	101,336	117,511
Other non-tax revenue.....		66,643	9,865	306	4,871	6,517
		294,118	126,065	119,355	122,331	140,765
Total non-tax revenues.....		16,194,066	16,480,799	16,157,670	15,852,420	16,118,476
Total Revenues.....	[1,2]	\$ 36,175,091	\$ 36,633,052	\$ 35,413,469	\$ 35,216,078	\$ 34,793,159

Table 5

2009	2008	2007	2006	2005
\$ 8,658,635	\$ 10,672,362	\$ 10,737,494	\$ 9,493,714	\$ 8,206,026
941,509	1,265,654	1,357,454	1,208,356	1,065,374
4,872,318	5,125,674	5,078,997	5,007,567	4,587,542
797,079	739,947	669,235	628,665	613,093
263,553	257,393	245,430	232,987	220,782
483,756	492,699	475,546	431,729	431,664
59,490	58,413	61,345	58,397	60,739
104,266	158,789	161,604	133,248	134,419
242,071	249,664	241,687	187,566	43,361
37,716	55,293	48,137	46,035	44,219
—	—	—	—	—
12,294	17,361	15,669	16,251	18,924
32,044	37,661	39,132	11,992	—
21,625	16,623	16,640	15,579	14,114
<u>16,526,356</u>	<u>19,147,533</u>	<u>19,148,370</u>	<u>17,472,086</u>	<u>15,440,257</u>
11,970,322	10,843,765	10,312,318	9,905,879	9,755,067
1,155,174	—	—	—	—
<u>13,125,496</u>	<u>10,843,765</u>	<u>10,312,318</u>	<u>9,905,879</u>	<u>9,755,067</u>
304,270	486,536	665,532	574,300	731,368
103,703	234,478	208,955	122,405	75,669
(46,275)	143,487	216,072	133,098	48,463
4,788	7,829	8,059	7,357	8,539
3	39	66	44	14
<u>62,219</u>	<u>385,833</u>	<u>433,152</u>	<u>262,904</u>	<u>132,685</u>
261	113	399	—	—
104,925	102,307	94,664	94,994	85,592
143	138	171	184	168
<u>105,068</u>	<u>102,445</u>	<u>94,835</u>	<u>95,178</u>	<u>85,760</u>
83	98	41	57	4,304
8,773	7,908	8,392	7,885	7,072
<u>8,856</u>	<u>8,006</u>	<u>8,433</u>	<u>7,942</u>	<u>11,376</u>
190,995	198,520	159,583	158,646	142,798
64,202	62,035	58,046	55,976	46,975
5,709	5,862	5,466	5,386	5,165
15,230	14,791	14,292	14,269	14,128
16,758	16,892	16,629	16,471	16,476
43,965	42,872	27,991	25,990	24,526
9,310	9,441	8,782	8,420	8,398
184,952	164,813	160,006	157,024	200,452
85,135	93,181	69,758	53,663	—
5,340	6,583	4,944	5,173	3,818
<u>621,596</u>	<u>614,990</u>	<u>525,497</u>	<u>501,018</u>	<u>462,736</u>
175,187	159,954	142,825	136,453	148,641
16,179	16,054	17,207	17,632	34,375
—	—	—	1	105
<u>16,179</u>	<u>16,054</u>	<u>17,207</u>	<u>17,633</u>	<u>34,480</u>
15,613	16,982	16,979	14,356	13,932
1,906	3,303	4,124	3,014	10,253
119,107	106,517	56,733	113,171	84,927
22,220	1,566	1,508	1,302	1,253
<u>158,846</u>	<u>128,368</u>	<u>79,344</u>	<u>131,843</u>	<u>110,365</u>
<u>14,577,978</u>	<u>12,746,064</u>	<u>12,279,542</u>	<u>11,633,150</u>	<u>11,472,478</u>
<u>\$ 31,104,334</u>	<u>\$ 31,893,597</u>	<u>\$ 31,427,912</u>	<u>\$ 29,105,236</u>	<u>\$ 26,912,735</u>

[1] For fiscal year ended June 30, 2006, the State changed its methodology for applying GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions to individual income taxes. The State now reports an estimate of underpayments of individual income taxes. The State has also changed its method to estimate overpayments of individual income taxes (i.e., income tax refunds payable and applied refunds). For the purpose of reporting underpayments, the availability period for General Fund individual income taxes was extended from thirty-one days to twelve months after year-end. Where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., income tax refunds payable and applied refunds).

[2] For fiscal year ended June 30, 2009, with the investment markets downturn, situations occurred related to securities lending activity that resulted in the State experiencing unrealized losses on the investment of cash collateral received for securities lent. The State had unrecorded unrealized losses and undistributed income that resulted in a restatement.

[3] For fiscal year ended June 30, 2011, GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented. Fiscal years prior to 2011 have not been restated.

PERSONAL INCOME BY INDUSTRY

For the Fiscal Years 2003-2012

(Dollars in thousands)

	2012	2011	2010	2009	2008
Manufacturing.....	\$ 31,557,791	\$ 30,630,827	\$ 29,899,020	\$ 29,507,386	\$ 32,871,109
Retail trade.....	16,543,538	15,726,256	15,506,588	15,147,048	15,816,802
Services.....	91,275,829	85,394,022	81,644,617	78,845,349	79,680,495
Agricultural, forestry, fishing, etc.....	752,040	693,508	721,084	625,515	608,534
Government.....	53,507,670	52,937,347	53,679,181	52,009,813	49,971,175
Construction.....	13,424,428	12,710,118	12,576,058	13,360,791	15,728,053
Wholesale trade.....	13,750,578	12,993,684	12,281,182	11,904,361	12,732,602
Transportation and warehousing.....	7,156,040	6,755,478	6,344,855	6,294,167	6,709,847
Finance and insurance.....	17,432,307	17,188,287	19,674,704	16,311,534	15,355,265
Mining.....	240,755	230,010	196,257	242,909	302,581
Utilities.....	1,610,865	1,579,610	1,513,730	1,390,004	1,441,857
Information.....	6,315,066	5,869,956	5,658,771	5,885,149	6,040,398
Real estate and rental and leasing.....	3,973,278	3,604,588	2,960,380	3,012,295	3,196,971
Other.....	112,163,323	106,141,307	96,331,041	95,576,910	92,161,384
Total.....	\$ 369,703,508	\$ 352,454,998	\$ 338,987,468	\$ 330,113,231	\$ 332,617,073
Average effective rate [1]:					
Individual income tax.....	2.8%	2.8%	2.8%	2.6%	3.2%

[1] Average effective rate equals individual income tax revenues divided by personal income.

Source: Bureau of Economic Analysis (Data for 2013 & 2014 is not available.)

Table 6

2007	2006	2005	2004	2003
\$ 33,708,273	\$ 32,834,330	\$ 32,231,012	\$ 31,858,045	\$ 31,279,342
16,308,067	15,769,434	14,978,924	14,235,626	13,818,683
75,785,060	70,966,821	64,359,107	60,604,932	56,206,927
624,878	637,024	575,980	593,336	544,737
46,654,860	43,267,164	41,193,447	38,580,008	35,855,665
17,056,334	16,656,582	14,876,177	13,708,560	12,843,141
12,776,205	11,871,588	11,070,441	10,438,631	9,611,693
6,829,270	6,668,868	6,444,942	6,291,708	5,933,108
14,829,199	14,493,453	12,825,445	11,519,173	10,828,196
366,745	365,036	301,933	250,574	219,159
1,343,193	1,342,792	1,246,753	1,289,055	1,228,403
5,674,632	5,421,835	5,376,938	5,203,187	4,981,041
2,972,196	3,930,268	3,483,702	3,410,910	3,322,028
84,921,181	77,273,021	72,234,245	65,669,468	58,794,333
\$ 319,850,093	\$ 301,498,216	\$ 281,199,046	\$ 263,653,213	\$ 245,466,456
3.4%	3.1%	2.9%	2.8%	2.9%

**INDIVIDUAL INCOME TAX FILERS AND LIABILITY - CALENDAR YEARS 2003 AND 2012
INDIVIDUAL INCOME TAX RATES- CALENDAR YEARS 2004-2013**

North Carolina Taxable Income	Calendar Year 2012				Calendar Year 2003			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000.....	2,185,840	50.9%	\$ 402,108,549	4.0%	1,888,477	52.3%	\$ 438,032,623	6.4%
\$15,001 to \$25,000.....	543,523	12.6%	604,513,009	6.0%	500,101	13.9%	575,108,293	8.4%
\$25,001 to \$50,000.....	744,455	17.3%	1,657,281,179	16.5%	670,880	18.6%	1,490,959,873	21.7%
\$50,001 to \$75,000.....	354,829	8.3%	1,397,114,355	13.9%	282,874	7.8%	1,106,486,473	16.1%
\$75,001 to \$100,000.....	181,081	4.2%	1,033,430,552	10.3%	114,125	3.2%	649,353,208	9.5%
\$100,001 to \$200,000.....	206,326	4.8%	1,896,814,727	18.9%	109,796	3.0%	1,001,045,927	14.6%
\$200,001 and up.....	79,436	1.9%	3,045,206,198	30.4%	43,088	1.2%	1,602,318,947	23.3%
	<u>4,295,490</u>	<u>100.0%</u>	<u>\$ 10,036,468,569</u>	<u>100.0%</u>	<u>3,609,341</u>	<u>100.0%</u>	<u>\$ 6,863,305,344</u>	<u>100.0%</u>

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. Calendar year 2012 is the most recent year for which data are available.

Individual Income Tax Rates - Last 10 Years

Calendar Years 2004-2006				
Tax Year	Bracket 1	Bracket 2	Bracket 3	Bracket 4
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	\$100,001-\$200,000	> \$200,000
Tax rate	6%	7%	7.75%	8.25%
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	\$50,001-\$100,000	> \$100,000
Tax rate	6%	7%	7.75%	8.25%
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	\$80,001-\$160,000	> \$160,000
Tax rate	6%	7%	7.75%	8.25%
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	\$60,001-\$120,000	> \$120,000
Tax rate	6%	7%	7.75%	8.25%
Calendar Year 2007				
Tax Year	Bracket 1	Bracket 2	Bracket 3	Bracket 4
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	\$100,001-\$200,000	> \$200,000
Tax rate	6%	7%	7.75%	8%
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	\$50,001-\$100,000	> \$100,000
Tax rate	6%	7%	7.75%	8%
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	\$80,001-\$160,000	> \$160,000
Tax rate	6%	7%	7.75%	8%
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	\$60,001-\$120,000	> \$120,000
Tax rate	6%	7%	7.75%	8%

Temporary Rate Increase - Effective for the tax years January 1, 2001 through December 31, 2003, the General Assembly temporarily raised the highest individual income tax rate from 7.75% to 8.25%. This temporary increase was extended in subsequent budgets. In 2006-07, the General Assembly reduced the top rate from 8.25% to 8.0%, effective January 1, 2007.

Source: North Carolina Department of Revenue

Individual Income Tax Rates - Last 10 Years

Calendar Year 2008				
Tax Year	Bracket 1	Bracket 2	Bracket 3	
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	> \$100,000	
Tax rate	6%	7%	7.75%	
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	> \$50,000	
Tax rate	6%	7%	7.75%	
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	> \$80,000	
Tax rate	6%	7%	7.75%	
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	> \$60,000	
Tax rate	6%	7%	7.75%	
Calendar Years 2009-2010				
Tax Year	Bracket 1	Bracket 2	Bracket 3	Bracket 3 Sur tax
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	> \$100,000 up to \$250,000 7.75%	2%
Tax rate	6%	7%	> 250,000	3%
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	> \$50,000 up to \$125,000 7.75%	2%
Tax rate	6%	7%	>125,000	3%
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	> \$80,000 up to \$200,000 7.75%	2%
Tax rate	6%	7%	>200,000	3%
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	> \$60,000 up to \$150,000 7.75%	2%
Tax rate	6%	7%	>150,000	3%
Calendar Years 2011-2013				
Tax Year	Bracket 1	Bracket 2	Bracket 3	
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	> \$100,000	
Tax rate	6%	7%	7.75%	
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	> \$50,000	
Tax rate	6%	7%	7.75%	
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	> \$80,000	
Tax rate	6%	7%	7.75%	
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	> \$60,000	
Tax rate	6%	7%	7.75%	

Income tax rate restrictions

- The State Constitution (Article V, section 2(6)) places the following limitation on the income tax: "The rate of tax on incomes shall not in any case exceed ten percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed."

Income Tax Surtax Expired

- Effective from the tax year beginning on or after January 1, 2011 North Carolina no longer has an income tax surtax.

TAXABLE SALES BY BUSINESS GROUP

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General merchandise.....	\$ 30,122,560	\$ 29,092,064	\$ 28,488,712	\$ 26,997,731	\$ 26,700,373
Food.....	22,892,242	21,961,810	21,188,038	20,063,710	19,986,254
Lumber & building material.....	11,754,511	11,034,483	10,936,526	9,980,618	9,896,788
Automotive.....	6,272,460	5,855,515	5,798,630	5,592,481	5,371,476
2%, 2.5%, 3% and 4.75% tax group...	456,127	460,461	447,963	429,092	411,092
Furniture.....	3,887,077	3,739,815	3,599,804	3,416,656	3,442,183
Apparel.....	4,707,181	4,554,679	4,343,728	3,962,251	3,756,305
Unclassified.....	30,258,424	28,668,485	28,026,651	26,316,563	25,056,266
Total.....	<u>\$ 110,350,582</u>	<u>\$ 105,367,312</u>	<u>\$ 102,830,052</u>	<u>\$ 96,759,102</u>	<u>\$ 94,620,737</u>
Direct sales tax rate	4.75%	4.75%	4.75%	5.75%	5.75%

2%, 2.5%, 3% and 4.75% tax group includes manufactured homes, airplanes, boats, and modular homes. In the fiscal years prior to 2014, there was an additional 1% tax in this group that included farm, mill, laundry machinery, fuel to farmers, manufacturers, and laundries.

Source: North Carolina Department of Revenue

Table 8

2009	2008	2007	2006	2005
\$ 27,281,044	\$ 27,545,474	\$ 27,814,179	\$ 24,141,458	\$ 36,237,522
19,982,767	20,427,943	18,856,362	17,333,935	27,537,881
11,728,029	15,125,717	15,625,168	14,749,083	16,234,363
5,365,726	5,782,027	6,138,450	5,416,622	18,109,374
653,686	878,522	1,350,932	4,551,097	5,467,429
3,854,662	4,746,011	4,733,484	4,387,923	5,528,144
3,628,009	3,901,540	3,753,902	3,481,573	3,622,110
27,197,294	29,529,959	28,314,743	27,490,165	40,846,913
\$ 99,691,217	\$ 107,937,193	\$ 106,587,220	\$ 101,551,856	\$ 153,583,736
4.50%	4.25%	4.25%	4.50%	4.50%

SALES TAX REVENUE PAYERS BY BUSINESS GROUP

For the Fiscal Years 2005 & 2014

	2014		2005	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
General merchandise.....	\$ 1,435,156	23.28%	\$ 987,088	20.36%
Food.....	1,094,731	17.76%	725,612	14.96%
Utilities.....	908,938	14.75%	669,470	13.80%
Lumber & building material.....	559,345	9.07%	594,459	12.25%
Automotive.....	313,355	5.08%	254,508	5.25%
Furniture.....	185,386	3.01%	181,087	3.73%
Apparel.....	224,341	3.65%	142,767	2.94%
Farming.....	—	0.00%	46,272	0.95%
Unclassified.....	1,442,585	23.40%	1,249,761	25.76%
Total.....	\$ 6,163,837	100.00%	\$ 4,851,024	100.00%
General state sales tax rate.....	4.75%		4.50%	

Recent Significant Sales Tax Rate and Base Changes

2005-06	<p>Effective <u>October 1, 2005</u>, all sales of candy became subject to the combined general State and county tax rate.</p> <p>Effective <u>October 1, 2005</u>, the sales and use tax imposed on telecommunications, direct-to-home satellite services, and spirituous liquor increased to 7%.</p> <p>Effective <u>January 1, 2006</u>, a 7% State sales and use tax was imposed on cable services, and satellite digital audio radio became subject to both the State general rate of tax and local rates.</p>
2006-07	<p>Effective <u>June 29, 2007</u>, the combined rate is the State's general rate 4.25% plus the sum of the rates of local tax authorized for every county in the State 2.5%.</p> <p>Effective <u>January 1, 2007</u>, sales of intermodal cranes, intermodal hostler trucks and railroad locomotives to the owner or lessee of an eligible railroad intermodal facility was exempted. Sales to the owner or lessee of an eligible railroad intermodal facility of sales taxes on building supplies, fixtures, and equipment that become a part of the real property of the facility was exempted.</p> <p>Effective <u>June 29, 2007</u>, additional 0.25% Sales general and use tax rate, scheduled to be repealed for sales made on or after July 1, 2007, was extended for one month.</p>
2007-08	<p>Effective <u>July 1, 2007</u>, tax on electricity (2.83%) sold to manufacturers was repealed and the new rate is 2.6%.</p> <p>Effective <u>July 1, 2007</u>, manufacturers and assemblers of aircraft parts, professional motorsports racing teams of 50% of tax on property that comprises any part of a professional motor racing vehicle and taxpayers engaged in analytical services of 50% of tax paid on property consumed or transformed in analytical services would receive refunds.</p> <p>Effective <u>July 31, 2007</u>, additional 0.25% State general sales and use tax rate was made permanent. As a result the combined general rate remains at 6.75%.</p> <p>Effective <u>October 1, 2007</u>, tax on electricity sold to farmers (2.83%) was repealed and the new rate is 1.8%.</p> <p>Effective <u>October 1, 2007</u>, tax on electricity sold to manufacturers (2.6%) was repealed and the new rate is 1.8%. Privilege tax sold to manufacturing industry decreased from 1% to 0.7%. Bundled transaction defined to remain compliant with SSTA. Baler twine sold to farmers and bread sold at a bakery thrift store was exempted. State began three year phase-in assumption of the financial nonfederal, nonadministrative Medicaid responsibility for counties that include a 1/2% sales tax rate exchange between local and state governments as well as various measures to ensure the local governments are held harmless (protected from revenue loss) as a result of the Medicaid swap legislation.</p> <p>Effective <u>April 1, 2008</u>, combined general rate raised from 6.75% to 7%.</p>
2008-09	<p>Retroactive for purchases made on or after <u>January 1, 2004</u>. Refund provision extended to University Affiliated Nonprofit Organizations that procure, design, construct, or provide facilities to or for use by, a constituent institution of the University of North Carolina.</p> <p>Effective <u>July 1, 2008</u>, tax on electricity sold to farmers and manufacturers (1.8%) repealed. New tax rate is 1.4%. Refund provision expanded to include certain industrial facilities-solar electricity generating materials manufacturing industry. Refund provision expanded to include volunteer fire department or volunteer emergency medical services squad. Privilege tax on fuel sold to a manufacturing industry decreased from 0.7% to 0.5%.</p> <p>Effective <u>July 16, 2008</u>, new sales and use tax holiday for Energy Star qualified products (1st Friday in November through following Sunday). Refund provision to interstate Passenger Air Carriers was extended to repeal for purchases made on or after January 1, 2011 (previously January 1, 2009).</p> <p>Effective <u>August 1, 2008</u>, exemption for tpp purchased with a client assistance debit card issued for disaster assistance relief by qualified entities. Exemption for interior design services provided in conjunction with the sale of tpp.</p> <p>Effective <u>October 1, 2008</u>, State general tax raised from 4.25% to 4.5%. Local sales tax rate under Article 44 lowered from 0.5% to 0.25%.</p> <p>Effective <u>January 1, 2009</u>, exemption for bakery items sold without eating utensils by an artisan bakery.</p>

Source: North Carolina Department of Revenue

Recent Significant Sales Tax Rate and Base Changes

2009-10	<p>Effective <u>July 1, 2009</u>, tax on electricity sold to farmers/manufacturers decreased from 1.4% to 0.8%. Privilege tax on fuel sold to a manufacturing industry decreased from 0.5% to 0.3%.</p> <p>Effective <u>August 7, 2009</u>, online sales- remote sales:certain click-through transactions subject to tax.</p> <p>Effective <u>August 27, 2009</u>, authorizing legislation for regional transportation authorities and counties to impose a local government sales and use tax rate of 0.25% or 0.5% for public transportation.</p> <p>Effective <u>September 1, 2009</u>, State general tax rate raised from 4.5% to 5.5%. Combined general rate raised from 7% to 8%. (Temporary additional 1% State general sales and use tax rate, scheduled to be repealed for sales made on or after July 1, 2011).</p> <p>Effective <u>October 1, 2009</u>, State general tax raised from 5.5% to 5.75%. Local sales tax rate under Article 44 (0.25%) repealed. Exemption for aircraft simulators purchased by interstate passenger air carriers expanded to include all purchasers of such equipment.</p> <p>Effective <u>January 1, 2010</u>, sales tax on online purchases - certain digital property, magazine subscriptions, computer software subject to tax. Exemption for computer software or digital property that becomes a component part.</p>
2010-11	<p>Effective <u>July 1, 2010</u>, tax on electricity sold to farmers/manufacturers decreased from 0.8% to 0%. Privilege tax on fuel sold to a manufacturing industry decreased from 0.3% to 0%. Refund provision to Interstate Passenger Air Carriers was extended to repeal for purchases made on or after January 1, 2013 (previously January 1, 2011). Refund provision for aviation fuel for motorsports events to professional motorsports racing teams was extended to repeal for purchases made on or after January 1, 2013 (previously January 1, 2011).</p> <p>Effective <u>July 10, 2010</u>, refund provision to joint governmental agency created to operate a cable television system for purchases made on/after July 1, 2007 and before June 30, 2010.</p> <p>Effective <u>January 1, 2011</u>, sales tax law on accommodations was modernized to classify facilitators who assist accommodation owners with rentals as retailers subject to sales and use and room occupancy taxes. Facilitation or similar fees are includable in the sales price.</p> <p>Effective <u>June 18, 2011</u>, refund provision to joint governmental agency created to operate a cable television system extended to purchases made on/after July 1, 2007 and before June 30, 2011 (previously before June 30, 2010).</p>
2011-12	<p>Effective <u>July 1, 2011</u>, additional 1% State General sales and use tax rate expired. This also has the effect of reducing the State combined general rate from 8% to 7%.</p> <p>Effective <u>June 20, 2012</u>, refund provision to Interstate Passenger Air Carriers was extended to repeal for purchases made on or after January 1, 2014 (previously January 1, 2013). Refund provision for aviation fuel for motorsports events to professional motorsports racing teams was extended to repeal for purchases made on or after January 1, 2014 (previously January 1, 2013). Refund provision to taxpayers engaged in analytical services (the greater of 50% of eligible amount of tax paid on tpp consumed or transformed in analytical services or 50% of the amount of tax paid on medical reagents) was extended to repeal for purchases made on or after January 1, 2014 (previously January 1, 2013). Refund provision to certain industrial facilities for tax paid on building materials, building supplies, fixtures, and equipment installed in the construction of the facility was extended to repeal for purchases made on or after January 1, 2014 (previously January 1, 2013).</p>
2013-14	<p>Effective <u>January 1, 2014</u>, the sale of a modular home is subject to the State general rate of 4.75% (no local rates apply) (transaction previously subject to the State 2.5% preferential rate with 20% of the proceeds shared with local governments). The sale of a manufactured home is subject to the State general rate of 4.75% (no local rates apply) (transaction previously subject to the State 2% preferential rate (maximum tax \$300 per article)). Service contracts (warranty agreements, maintenance agreements, repair contracts, or similar agreements or contracts by which the seller agrees to maintain or repair tangible personal property) are subject to the State general rate of 4.75% (applicable local rates apply). Previously, combined State/local use tax rates assessed on parts applied for certain transactions.</p> <p>Admission charges to the following entertainment activities are subject to the State general rate of 4.75% plus applicable local rates: a live performance or live event, a motion picture or film, a museum, a cultural site, a garden, an exhibit, a show, or a similar attraction or a guided tour at any of these attractions. The following events are exempted from this tax: school sponsored events held at an elementary or secondary school, certain commercial agricultural fairs, certain nonprofit-sponsored festivals or other recreational/entertainment activity, certain youth athletic contests, and certain State attractions. Previously, motion picture show admission charges were subject to a 1% gross receipts privilege tax and certain other amusements were subject to a 3% gross receipts privilege tax.</p> <p>Newspaper street vendors and sales by newspaper vending machines, nutritional supplements sold by a chiropractic physician at a chiropractic office to a patient as part of the patient's plan of treatment, and food and prepared meals sold by institutions of higher education (private and public) are subject to the State general rate of 4.75% plus applicable local rates (previously exempt).</p> <p>Effective <u>June 1, 2014</u>, gross receipts derived from the rental of a private residence, cottage, or similar accommodation listed with a real estate broker or agent where a person occupies or has the right to occupy such on or after June 1, 2014, are subject to the 4.75% general State and applicable local and transit rates of sales and use tax and any local occupancy tax imposed by a city or county. Previously, the taxation of gross receipts derived from the rental of a private residence, cottage, or similar accommodation listed with a real estate broker or agent for fewer than 15 days was deemed exempt under provisions of the Important Notice: Tax on Accommodations (Revised June 14, 2002).</p>

RATIOS OF OUTSTANDING DEBT BY TYPE

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:					
General obligation bonds.....	\$ 3,607,100	\$ 3,999,580	\$ 4,470,500	\$ 4,846,205	\$ 5,270,660
Lease-purchase revenue bonds.....	4,125	20,915	30,915	205,045	215,045
Certificates of participation.....	247,615	508,500	557,895	824,860	872,600
Limited obligation bonds.....	2,132,085	1,993,740	1,795,090	1,060,745	580,705
GARVEE bonds.....	395,275	454,820	512,085	373,080	434,825
Issuance discount.....	—	—	—	—	—
Issuance premium.....	558,928	623,105	485,615	441,218	353,147
Notes payable.....	39,738	39,312	35,691	25,038	30,642
Capital leases payable.....	17,869	19,375	21,282	22,669	22,815
Total Governmental Activities.....	<u>7,002,735</u>	<u>7,659,347</u>	<u>7,909,073</u>	<u>7,798,860</u>	<u>7,780,439</u>
Business-type activities:					
Revenue bonds..... (1), (2)	1,039,308	1,058,458	1,081,183	856,678	622,758
GARVEE bonds..... (2)	145,535	145,535	145,535	—	—
Issuance discount.....	(1,780)	(1,896)	(2,012)	(2,128)	(2,244)
Issuance premium.....	25,932	28,661	31,507	—	—
Notes payable..... (1), (2)	376,869	377,466	286,818	269,030	68,800
Total Business-type Activities.....	<u>1,585,864</u>	<u>1,608,224</u>	<u>1,543,031</u>	<u>1,123,580</u>	<u>689,314</u>
Total Primary Government.....	<u>\$ 8,588,599</u>	<u>\$ 9,267,571</u>	<u>\$ 9,452,104</u>	<u>\$ 8,922,440</u>	<u>\$ 8,469,753</u>
Debt as a Percentage of Personal Income....	2.20%	2.45%	2.56%	2.53%	2.50%
Amount of Debt per Capita.....	\$ 864	\$ 941	\$ 970	925	\$ 888

Notes:

(1) The Town of Butner's Enterprise Funds related to water and sewer was sold in 2007 and changed its Enterprise Funds functions in 2006.

(2) North Carolina Turnpike Authority is a major enterprise fund. Prior to 2010, it was a component unit.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 5,169,265	\$ 5,533,760	\$ 5,902,330	\$ 5,738,815	\$ 5,698,535
225,045	235,045	245,045	255,045	265,045
919,585	965,880	727,640	454,060	475,170
600,000	—	—	—	—
241,820	287,565	—	—	—
—	(126)	(369)	(721)	(1,175)
275,131	287,272	309,261	313,253	339,004
27,663	33,187	37,276	60,841	34,007
23,833	24,659	25,740	26,879	330
<u>7,482,342</u>	<u>7,367,242</u>	<u>7,246,923</u>	<u>6,848,172</u>	<u>6,810,916</u>
—	—	—	8,800	9,070
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	1,457	1,569
—	—	—	<u>10,257</u>	<u>10,639</u>
<u>\$ 7,482,342</u>	<u>\$ 7,367,242</u>	<u>\$ 7,246,923</u>	<u>\$ 6,858,429</u>	<u>\$ 6,821,555</u>
2.28%	2.23%	2.28%	2.29%	2.44%
\$ 798	\$ 797	\$ 800	\$ 773	\$ 787

RATIOS OF GENERAL BONDED AND SIMILAR DEBT OUTSTANDING

For the Fiscal Years 2005-2014

(Dollars in Thousands except Per Capita)

Fiscal Year Ended June 30	General Obligation Bonds	Lease-Purchase Revenue Bonds	Certificates of Participation	Limited Obligation Bonds	GARVEE Bonds	Issuance Discount	Issuance Premium
2014	\$3,607,100	\$ 4,125	\$ 247,615	\$2,132,085	\$ 395,275	\$ —	\$ 558,928
2013	3,999,580	20,915	508,500	1,993,740	454,820	—	623,105
2012	4,470,500	30,915	557,895	1,795,090	512,085	—	485,615
2011	4,846,205	205,045	824,860	1,060,745	373,080	—	441,218
2010	5,270,660	215,045	872,600	580,705	434,825	—	353,147
2009	5,169,265	225,045	919,585	600,000	241,820	—	275,131
2008	5,533,760	235,045	965,880	—	287,565	(126)	287,272
2007	5,902,330	245,045	727,640	—	—	(369)	309,261
2006	5,738,815	255,045	454,060	—	—	(721)	313,253
2005	5,698,535	265,045	475,170	—	—	(1,175)	339,004

Note: Population data can be found in table 15.

<u>Total</u>	<u>Per Capita</u>
\$ 6,945,128	\$ 698
7,600,660	772
7,852,100	806
7,751,153	803
7,726,982	810
7,430,846	792
7,309,396	790
7,183,907	793
6,760,452	762
6,776,579	782

SCHEDULE OF GENERAL OBLIGATION BONDS PAYABLE

June 30, 2014

(Dollars in Thousands)

Payable from General Fund Revenues

	Total General Obligation Bonds	Total General Fund	Clean Water Series 2002A 12-1-02 2.25 - 5%	Public Improvement Series 2003A 3-1-03 2% - 5.25%	Public Improvement Refunding Series 2004 9-29-04 3%-5.5%	Public Improvement Series 2005A 1-12-05 4%-5.5%	Refunding Series 2005A 1-12-05 3%-5%
Bonds Authorized and Issued:							
Ch. 132, 1998 session law.....	\$ 127,155	\$ 127,155	\$ 18,800	\$ 38,355	\$ —	\$ —	\$ —
Ch. 3, 2000 session law.....	581,645	581,645	—	281,645	—	—	—
2004 session law.....	<u>5,189,524</u>	<u>4,853,370</u>	<u>—</u>	<u>—</u>	<u>57,470</u>	<u>705,500</u>	<u>106,895</u>
Total bonds authorized and issued.....	5,898,324	5,562,170	18,800	320,000	57,470	705,500	106,895
Bonds retired.....	1,564,949	1,511,026	6,175	262,225	48,100	289,000	36,060
Partial defeasances.....	<u>726,275</u>	<u>726,275</u>	<u>—</u>	<u>24,775</u>	<u>—</u>	<u>391,500</u>	<u>—</u>
Bonds outstanding— June 30, 2014.....	<u>\$ 3,607,100</u>	<u>\$ 3,324,869</u>	<u>\$ 12,625</u>	<u>\$ 33,000</u>	<u>\$ 9,370</u>	<u>\$ 25,000</u>	<u>\$ 70,835</u>
Bond Maturity As Follows:							
2014-15.....	\$ 369,240	\$ 322,974	\$ 1,775	\$ —	\$ 9,370	\$ 25,000	\$ 11,680
2015-16.....	370,570	332,987	2,245	—	—	—	11,600
2016-17.....	368,335	316,549	510	—	—	—	47,555
2017-18.....	379,424	334,093	4,915	—	—	—	—
2018-19.....	381,971	336,583	3,180	—	—	—	—
2019-20.....	350,740	294,863	—	—	—	—	—
2020-21.....	271,790	271,790	—	—	—	—	—
2021-22.....	253,680	253,680	—	—	—	—	—
2022-23.....	249,230	249,230	—	—	—	—	—
2023-24.....	223,240	223,240	—	—	—	—	—
2024-25.....	144,945	144,945	—	—	—	—	—
2025-26.....	85,650	85,650	—	—	—	—	—
2026-27.....	68,630	68,630	—	16,500	—	—	—
2027-28.....	40,885	40,885	—	16,500	—	—	—
2028-29.....	24,385	24,385	—	—	—	—	—
2029-30.....	<u>24,385</u>	<u>24,385</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Bonds Outstanding.....	<u>\$ 3,607,100</u>	<u>\$ 3,324,869</u>	<u>\$ 12,625</u>	<u>\$ 33,000</u>	<u>\$ 9,370</u>	<u>\$ 25,000</u>	<u>\$ 70,835</u>

Payable from General Fund Revenues

Refunding Series 2005B 6-29-05 5%	Clean Water Series 2006A 3-15-06 3.875%-5.5%	Higher Education Series 2006A 6-14-06 4.25%-5%	Public Improvement Series 2007A 3-1-07 4.125%-5.5%	Refunding Series 2007B 5-9-07 4%-4.5%	Refunding Series 2009A 10-20-09 3.5%-5%	Public Improvement Series 2010A 4-14-10 4%-5%	Refunding Series 2010B 8-31-10 5%	Refunding Series 2010C 10-12-10 5%
\$ —	\$ 70,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	300,000	—	—	—	—	—	—
<u>470,510</u>	<u>—</u>	<u>—</u>	<u>502,745</u>	<u>84,385</u>	<u>169,297</u>	<u>487,700</u>	<u>472,595</u>	<u>236,095</u>
470,510	70,000	300,000	502,745	84,385	169,297	487,700	472,595	236,095
249,065	25,100	120,000	175,000	2,020	20,558	97,540	116,330	—
—	—	135,000	175,000	—	—	—	—	—
<u>\$ 221,445</u>	<u>\$ 44,900</u>	<u>\$ 45,000</u>	<u>\$ 152,745</u>	<u>\$ 82,365</u>	<u>\$ 148,739</u>	<u>\$ 390,160</u>	<u>\$ 356,265</u>	<u>\$ 236,095</u>
\$ 73,650	\$ 3,200	\$ 15,000	\$ 25,000	\$ 225	\$ 22,289	\$ 24,385	\$ 50,095	\$ —
69,255	3,200	15,000	25,000	230	31,402	24,385	63,915	—
71,925	3,200	—	25,000	240	43,269	24,385	15,210	—
6,615	3,200	—	—	250	22,448	24,385	137,430	21,735
—	3,200	—	—	260	22,503	24,385	89,615	21,725
—	4,000	—	—	275	6,828	24,385	—	48,745
—	4,000	—	—	285	—	24,385	—	72,030
—	4,000	—	—	295	—	24,385	—	71,860
—	4,000	—	—	80,305	—	24,385	—	—
—	4,000	—	—	—	—	24,385	—	—
—	4,000	—	25,000	—	—	24,385	—	—
—	4,900	15,000	25,000	—	—	24,385	—	—
—	—	—	27,745	—	—	24,385	—	—
—	—	—	—	—	—	24,385	—	—
—	—	—	—	—	—	24,385	—	—
—	—	—	—	—	—	24,385	—	—
<u>\$ 221,445</u>	<u>\$ 44,900</u>	<u>\$ 45,000</u>	<u>\$ 152,745</u>	<u>\$ 82,365</u>	<u>\$ 148,739</u>	<u>\$ 390,160</u>	<u>\$ 356,265</u>	<u>\$ 236,095</u>

Continued

SCHEDULE OF GENERAL OBLIGATION BONDS PAYABLE (Continued)

June 30, 2014

*(Dollars in Thousands)**Payable from General Fund Revenues*

	Refunding Series 2013B 2-20-13 3%-5%	Refunding Series 2013C 2-28-13 3.5%-5%	Refunding Series 2013D 2-28-13 3%-4%	Refunding Series 2013E 3-21-13 2%-5%	Refunding Series 2014A 4-30-14 5%
Bonds Authorized and Issued:					
Ch. 132, 1998 session law.....	\$ —	\$ —	\$ —	\$ —	\$ —
Ch. 3, 2000 session law.....	—	—	—	—	—
2004 session law.....	<u>271,373</u>	<u>351,970</u>	<u>349,955</u>	<u>299,785</u>	<u>287,095</u>
Total bonds authorized and issued.....	271,373	351,970	349,955	299,785	287,095
Bonds retired.....	23,553	—	—	40,300	—
Partial defeasances.....	—	—	—	—	—
Bonds outstanding— June 30, 2014.....	<u>\$ 247,820</u>	<u>\$ 351,970</u>	<u>\$ 349,955</u>	<u>\$ 259,485</u>	<u>\$ 287,095</u>
Bond Maturity As Follows:					
2014-15.....	\$ 1,530	\$ 15,310	\$ 2,575	\$ 16,075	\$ 25,815
2015-16.....	10,215	28,165	2,655	16,475	29,245
2016-17.....	23,170	14,850	27,735	16,870	2,630
2017-18.....	455	27,720	27,315	35,280	22,345
2018-19.....	390	35,960	26,885	86,255	22,225
2019-20.....	—	47,585	66,445	71,065	25,535
2020-21.....	450	47,160	65,850	17,465	40,165
2021-22.....	400	46,870	65,560	—	40,310
2022-23.....	13,595	39,470	64,935	—	22,540
2023-24.....	143,180	16,225	—	—	35,450
2024-25.....	54,435	16,290	—	—	20,835
2025-26.....	—	16,365	—	—	—
2026-27.....	—	—	—	—	—
2027-28.....	—	—	—	—	—
2028-29.....	—	—	—	—	—
2029-30.....	—	—	—	—	—
Total Bonds Outstanding.....	<u>\$ 247,820</u>	<u>\$ 351,970</u>	<u>\$ 349,955</u>	<u>\$ 259,485</u>	<u>\$ 287,095</u>

SCHEDULE OF GENERAL OBLIGATION BONDS PAYABLE

June 30, 2014

Table 12

(Dollars in Thousands)

Payable from Highway Trust Fund

	<i>Total Highway Trust</i>	Highway Refunding Series 2009A 10-20-09 3.5%-5%	Highway Refunding Series 2010C 10-20-10 5%	Highway Refunding Series 2013B 2-20-13 3%-5%	Highway Refunding Series 2014A 4-30-14 5%
Bonds Authorized and Issued:					
Ch. 132, 1998 session law.....	\$ —	\$ —	\$ —	\$ —	\$ —
Ch. 3, 2000 session law.....	—	—	—	—	—
2004 session law.....	<u>336,154</u>	<u>202,622</u>	<u>66,055</u>	<u>47,887</u>	<u>19,590</u>
Total bonds authorized and issued.....	336,154	202,622	66,055	47,887	19,590
Bonds retired.....	53,923	24,606	—	29,317	—
Partial defeasances.....	—	—	—	—	—
Bonds outstanding— June 30, 2014.....	<u>\$ 282,231</u>	<u>\$ 178,016</u>	<u>\$ 66,055</u>	<u>\$ 18,570</u>	<u>\$ 19,590</u>
Bond Maturity As Follows:					
2014-15.....	\$ 46,266	\$ 26,676	\$ —	\$ —	\$ 19,590
2015-16.....	37,583	37,583	—	—	—
2016-17.....	51,786	51,786	—	—	—
2017-18.....	45,331	26,866	18,465	—	—
2018-19.....	45,388	26,933	18,455	—	—
2019-20.....	55,877	8,172	29,135	18,570	—
2020-21.....	—	—	—	—	—
2021-22.....	—	—	—	—	—
2022-23.....	—	—	—	—	—
2023-24.....	—	—	—	—	—
2024-25.....	—	—	—	—	—
2025-26.....	—	—	—	—	—
2026-27.....	—	—	—	—	—
2027-28.....	—	—	—	—	—
2028-29.....	—	—	—	—	—
2029-30.....	—	—	—	—	—
Total Bonds Outstanding.....	<u>\$ 282,231</u>	<u>\$ 178,016</u>	<u>\$ 66,055</u>	<u>\$ 18,570</u>	<u>\$ 19,590</u>

Source: Compiled by the Department of State Treasurer

SCHEDULE OF SPECIAL INDEBTEDNESS DEBT

June 30, 2014

(Dollars in Thousands)

	<u>Lease-Purchase Revenue Bonds</u>				<u>Certificates of Participation</u>			
	Total Special Indebtedness Debt	<i>Total Lease Purchase Revenue Bonds</i>	NC	NC	<i>Total Certificates of Participation</i>	Repair and	Capital	Repair and
			Correctional	Facilities		Renovation	Improvements	Renovation
			Facilities Series 2003 7-15-03 2% - 5.25%	Projects Series 2004 11-1-04 2% - 5.25%		Project Series 2004B 5-6-04 2% - 5.25%	Series 2005A 6-9-05 3.5% - 5%	Projects Series 2006A 8-16-06 4% - 5%
Bonds Authorized and Issued:								
Ch. 284, 2003 session law.....	\$ 3,235,325	\$ 218,405	\$ 218,405	\$ —	\$ 700,000	\$ 125,000	\$ —	\$ 100,000
General Statute Ch. 148-37.2.....	53,640	53,640	—	53,640	—	—	—	—
Ch. 179, 2004 session law.....	<u>188,385</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>188,385</u>	<u>—</u>	<u>188,385</u>	<u>—</u>
Total bonds authorized and issued.....	3,477,350	272,045	218,405	53,640	888,385	125,000	188,385	100,000
Bonds retired.....	583,120	97,000	79,000	18,000	301,285	60,000	70,860	40,000
Partial defeasances.....	<u>510,405</u>	<u>170,920</u>	<u>139,280</u>	<u>31,640</u>	<u>339,485</u>	<u>59,000</u>	<u>97,175</u>	<u>45,000</u>
Bonds outstanding— June 30, 2014.....	<u>\$ 2,383,825</u>	<u>\$ 4,125</u>	<u>\$ 125</u>	<u>\$ 4,000</u>	<u>\$ 247,615</u>	<u>\$ 6,000</u>	<u>\$ 20,350</u>	<u>\$ 15,000</u>
Bond Maturity As Follows:								
2014-15.....	\$ 124,175	\$ 2,125	\$ 125	\$ 2,000	\$ 42,390	\$ 6,000	\$ 9,925	\$ 5,000
2015-16.....	127,750	2,000	—	2,000	37,350	—	10,425	5,000
2016-17.....	131,260	—	—	—	27,415	—	—	5,000
2017-18.....	135,230	—	—	—	22,935	—	—	—
2018-19.....	139,950	—	—	—	23,485	—	—	—
2019-20.....	159,005	—	—	—	22,070	—	—	—
2020-21.....	159,945	—	—	—	3,750	—	—	—
2021-22.....	164,450	—	—	—	3,750	—	—	—
2022-23.....	169,425	—	—	—	3,750	—	—	—
2023-24.....	172,910	—	—	—	3,750	—	—	—
2024-25.....	142,050	—	—	—	3,750	—	—	—
2025-26.....	136,595	—	—	—	3,750	—	—	—
2026-27.....	139,440	—	—	—	29,270	—	—	—
2027-28.....	135,465	—	—	—	20,200	—	—	—
2028-29.....	106,685	—	—	—	—	—	—	—
2029-30.....	93,005	—	—	—	—	—	—	—
2030-31.....	82,730	—	—	—	—	—	—	—
2031-32.....	46,430	—	—	—	—	—	—	—
2032-33.....	<u>17,325</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Bonds Outstanding.....	<u>\$ 2,383,825</u>	<u>\$ 4,125</u>	<u>\$ 125</u>	<u>\$ 4,000</u>	<u>\$ 247,615</u>	<u>\$ 6,000</u>	<u>\$ 20,350</u>	<u>\$ 15,000</u>

Source: Compiled by the Department of State Treasurer.

Table 13

<i>Certificates of Participation</i>			<i>Limited Obligation bonds</i>							
Capital Improvements Series 2006A	Capital Improvements Series 2007A	Repair and Renovation Projects Series 2007B	Total Limited Obligation Bonds	Capital Improvements Series 2008A	Capital Improvements Series 2009A	Capital Improvements Series 2011A	Capital Improvements Refunding Series 2011B	Capital Improvements Series 2011C	Capital Improvements Series 2013A	Capital Improvements Refunding Series 2014B
10-18-06 4% - 5%	10-3-07 4% - 5%	10-24-07 4% - 5%		8-27-08 4% - 5%	4-29-09 2% - 5%	2-16-11 3%-5.25%	10-26-11 4%-5%	11-29-11 3%-5%	1-30-13 2.25%-5%	5-21-14 5%
\$ 200,000	\$ 200,000	\$ 75,000	\$ 2,316,920	\$ 200,000	\$ 400,000	\$ 500,000	\$ 367,350	\$ 400,000	\$ 250,000	\$ 199,570
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
200,000	200,000	75,000	2,316,920	200,000	400,000	500,000	367,350	400,000	250,000	199,570
70,000	37,925	22,500	184,835	33,420	70,550	47,675	—	25,325	7,865	—
60,000	78,310	—	—	—	—	—	—	—	—	—
<u>\$ 70,000</u>	<u>\$ 83,765</u>	<u>\$ 52,500</u>	<u>\$ 2,132,085</u>	<u>\$ 166,580</u>	<u>\$ 329,450</u>	<u>\$ 452,325</u>	<u>\$ 367,350</u>	<u>\$ 374,675</u>	<u>\$ 242,135</u>	<u>\$ 199,570</u>
\$ 10,000	\$ 7,715	\$ 3,750	\$ 79,660	\$ 7,720	\$ 15,670	\$ 18,490	\$ 15,905	\$ 13,620	\$ 8,255	\$ —
10,000	8,175	3,750	88,400	8,105	16,360	19,230	21,735	14,300	8,670	—
10,000	8,665	3,750	103,845	8,510	17,060	20,000	33,735	15,015	9,105	420
10,000	9,185	3,750	112,295	8,935	17,835	20,800	34,450	15,765	9,560	4,950
10,000	9,735	3,750	116,465	9,385	18,610	21,630	35,580	16,555	10,035	4,670
10,000	8,320	3,750	136,935	9,855	19,455	22,495	51,240	17,385	10,540	5,965
—	—	3,750	156,195	10,345	20,415	23,395	48,480	18,250	11,065	24,245
—	—	3,750	160,700	10,860	21,435	24,330	48,480	19,165	11,620	24,810
—	—	3,750	165,675	11,405	22,470	25,545	48,510	20,120	12,200	25,425
—	—	3,750	169,160	11,975	23,590	26,825	29,235	20,925	12,810	43,800
—	—	3,750	138,300	12,575	24,770	28,165	—	21,555	13,450	37,785
—	—	3,750	132,845	13,205	26,010	29,575	—	22,635	13,920	27,500
10,000	15,520	3,750	110,170	13,865	27,255	31,050	—	23,765	14,235	—
—	16,450	3,750	115,265	14,555	28,565	32,605	—	24,595	14,945	—
—	—	—	106,685	15,285	15,945	34,235	—	25,825	15,395	—
—	—	—	93,005	—	14,005	36,030	—	27,115	15,855	—
—	—	—	82,730	—	—	37,925	—	28,475	16,330	—
—	—	—	46,430	—	—	—	—	29,610	16,820	—
—	—	—	17,325	—	—	—	—	—	17,325	—
<u>\$ 70,000</u>	<u>\$ 83,765</u>	<u>\$ 52,500</u>	<u>\$ 2,132,085</u>	<u>\$ 166,580</u>	<u>\$ 329,450</u>	<u>\$ 452,325</u>	<u>\$ 367,350</u>	<u>\$ 374,675</u>	<u>\$ 242,135</u>	<u>\$ 199,570</u>

PLEGGED REVENUE COVERAGE

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Department of Transportation					
Grant Anticipation Revenue Vehicle Bonds (GARVEE)					
Pledged Revenue-					
Federal transportation revenues.....	\$ 1,311,264	\$ 1,137,807	\$ 1,139,303	\$ 1,296,856	\$763,579
Net available revenue.....	<u>\$ 1,311,264</u>	<u>\$ 1,137,807</u>	<u>\$ 1,139,303</u>	<u>\$ 1,296,856</u>	<u>\$763,579</u>
Debt service					
Principal.....	\$ 59,545	\$ 57,265	\$ 40,535	\$ 61,745	\$ 49,515
Interest.....	21,006	23,288	18,298	20,082	17,652
Coverage ratio.....	16.28	14.12	19.37	15.85	11.37
North Carolina Turnpike Authority					
Revenue Bonds (including GARVEE bonds)					
Pledged Revenue-					
Toll revenues..... [2]	\$ 18,980	\$ 10,416	\$ 398	\$ —	\$ —
Fees, licenses and fines..... [3]	5,203	2,557	97	—	—
Federal transportation revenues.....	11,677	12,365	12,400	—	—
Federal interest subsidy on debt.....	11,338	11,686	12,218	10,843	7,298
Interest on investments.....	1,272	2,372	2,911	5,235	4,121
Net available revenue.....	<u>\$ 48,470</u>	<u>\$ 39,396</u>	<u>\$ 28,024</u>	<u>\$ 16,078</u>	<u>\$ 11,419</u>
Debt service					
Principal.....	\$ 19,150	\$ 22,725	\$ —	\$ —	\$ —
Interest.....	62,585	63,076	49,753	37,869	15,052
Coverage ratio..... [1]	0.59	0.46	0.56	0.42	0.76

[1] For fiscal years 2010 through 2013, the Turnpike Authority reported state appropriations as a pledged revenue.

Starting with 2014, the state appropriations are no longer included as a pledged revenue and the coverage ratios are recalculated.

[2] In fiscal year 2012, the Turnpike Authority began collecting tolls; 2012 and 2013 are restated to include the tolls.

[3] In fiscal year 2012, the Turnpike Authority began charging fees in connection with the tolls; 2012 and 2013 are restated to include the fees.

2009	2008	2007	2006	2005
\$ 1,119,259	\$ 904,400	\$ —	\$ —	\$ —
<u>\$ 1,119,259</u>	<u>\$ 904,400</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 45,745	\$ —	\$ —	\$ —	\$ —
13,585	5,056	—	—	—
18.87	178.87	—	—	—
\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—
—	—	—	—	—

Continued

PLEDGED REVENUE COVERAGE (Continued)

For the Fiscal Years 2005-2014

(Dollars in Thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
University of North Carolina System					
Revenue Bonds					
Pledged Revenue-					
Sales and services.....	\$ 239,267	\$ 237,607	\$ 279,287	\$ 321,229	\$319,513
Student tuition and fees.....	6,673	6,624	6,903	13,859	13,503
Patient Services.....	737,984	666,238	635,434	592,061	561,392
Contracts and grants.....	—	—	—	—	—
State appropriations.....	—	—	—	3	—
Fees, licenses and fines.....	—	—	270	565	89
Rental lease earnings.....	3,866	73	258	6,787	5,809
Investment income.....	522	533	612	944	1,405
Federal interest subsidy on debt.....	368	400	436	1,559	—
Other operating revenues.....	3	—	1,072	563	538
Net incr (decr) in fair value of investments.....	571	362	74	—	—
Non-operating revenues.....	9,619	92	66	—	—
Less: Operating expenses.....	(915,827)	(797,205)	(744,162)	(773,796)	(749,788)
Net available revenue.....	<u>\$ 83,046</u>	<u>\$ 114,724</u>	<u>\$ 180,250</u>	<u>\$ 163,774</u>	<u>\$152,461</u>
Debt service					
Principal.....	\$ 16,645	\$ 17,110	\$ 21,035	\$ 10,305	\$ 20,754
Interest.....	8,668	9,137	13,226	12,245	9,472
Coverage ratio.....	3.28	4.37	5.26	7.26	5.04
Certificates of Participation (COPS)					
Pledged Revenue-					
Sales and services.....	\$ 3,695	\$ 6,283	\$ 5,998	\$ 5,896	\$ 5,688
Student tuition and fees.....	—	1,350	1,307	1,294	1,286
Rental lease earnings.....	3,035	—	62	31	26
Investment income.....	9	—	4	2	3
Other operating revenues.....	—	—	17	33	32
Less: Operating expenses.....	(2,560)	(2,127)	(2,144)	(2,026)	(2,244)
Net available revenue.....	<u>\$ 4,179</u>	<u>\$ 5,506</u>	<u>\$ 5,244</u>	<u>\$ 5,230</u>	<u>\$ 4,791</u>
Debt service					
Principal.....	\$ 1,110	\$ 1,788	\$ 1,728	\$ 1,630	\$ 1,555
Interest.....	1,824	1,923	1,997	2,052	2,142
Coverage ratio.....	1.42	1.48	1.41	1.42	1.30

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 412,186	\$ 658,628	\$ 614,244	\$ 562,332	\$ 531,673
15,405	29,221	37,088	36,847	51,657
502,062	1,447,635	1,367,363	1,210,356	1,131,038
—	123,469	120,657	120,513	113,049
—	53,010	45,674	44,510	39,334
1,643	10,506	19,814	19,626	13,056
5,989	7,690	29,587	21,182	18,802
5,190	(31,687)	99,337	31,632	19,121
—	—	—	—	—
708	13,407	20,318	30,369	30,133
—	—	—	—	—
—	53,231	50,929	37,274	39,558
(805,531)	(2,047,904)	(1,919,133)	(1,763,826)	(1,653,952)
<u>\$ 137,652</u>	<u>\$ 317,206</u>	<u>\$ 485,878</u>	<u>\$ 350,815</u>	<u>\$ 333,469</u>
\$ 19,375	\$ 51,272	\$ 51,995	\$ 52,696	\$ 54,917
15,793	69,315	66,764	66,557	58,146
3.91	2.63	4.09	2.94	2.95
\$ 5,969	\$ 2,446	\$ —	\$ —	\$ —
1,329	1,147	1,114	1,090	—
77	118	—	—	—
8	45	44	19	—
96	—	—	—	—
(2,076)	(895)	(60)	—	—
<u>\$ 5,403</u>	<u>\$ 2,861</u>	<u>\$ 1,098</u>	<u>\$ 1,109</u>	<u>\$ —</u>
\$ 1,485	\$ 1,075	\$ 905	\$ 575	\$ —
1,947	1,209	573	222	—
1.57	1.25	0.74	1.39	—

SCHEDULE OF DEMOGRAPHIC DATA

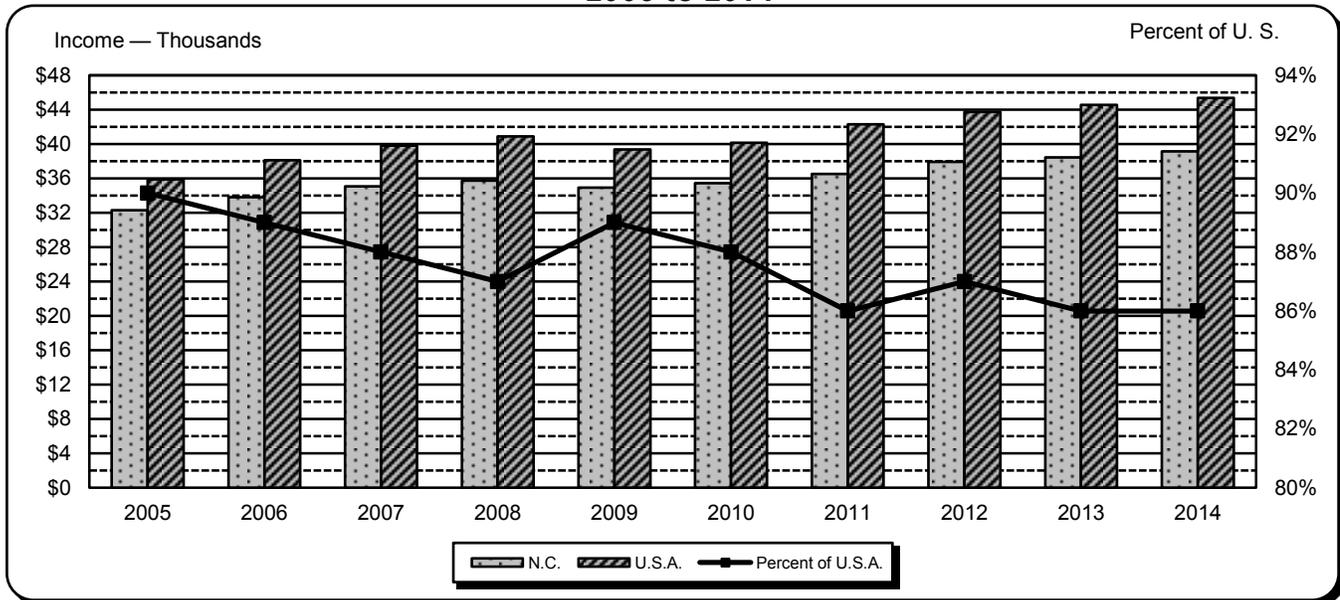
For the Years 2005-2014

Year	Population [3]				Per Capita Income [4]			Personal Income (millions) [5]	
	[1] United States Population	U.S. Increase from Prior Period	[1] North Carolina Population	N.C. Increase from Prior Period	[2] United States	[2] North Carolina	N.C. as a Percentage of U.S.	United States	North Carolina
2014	318,373,354	0.71%	9,944,571	0.98%	\$45,366	\$ 39,168	86.34%	\$14,443,326	\$389,509
2013	316,128,839	0.72%	9,848,060	1.02%	44,543	38,457	86.34%	14,081,327	378,727
2012	313,873,685	0.74%	9,748,364	1.00%	43,735	37,910	86.68%	13,727,266	369,560
2011	311,582,564	0.92%	9,651,377	1.22%	42,298	36,520	86.34%	13,179,319	352,468
2010	308,745,538	0.57%	9,535,483	1.65%	40,163	35,462	88.30%	12,400,147	338,147
2009	307,006,550	0.86%	9,380,884	1.45%	39,357	34,934	88.76%	12,082,857	327,712
2008	304,374,846	0.93%	9,247,134	2.02%	40,873	35,729	87.41%	12,440,713	330,391
2007	301,579,895	1.00%	9,064,074	2.22%	39,804	35,079	88.13%	12,004,086	317,959
2006	298,593,212	0.96%	8,866,977	2.28%	38,127	33,811	88.68%	11,384,463	299,801
2005	295,753,151	0.92%	8,669,452	1.62%	35,888	32,302	90.01%	10,613,989	280,041

[1] - U.S. Census estimates based on 2000 census (July 1) for years 2005 - 2009; Year 2010 is April 1 U.S. Census count; U.S. Census estimates based on 2010 census (July 1) for years 2011 - 2013; and year 2014 is an Office of the State Controller estimate.

[2] - Bureau of Economic Analysis estimate for years 2005 - 2013. Since the 2014 per capita income estimates are not available, the Office of State Controller used the U.S. Per Capita Income growth rate of the previous year to project the 2014 U.S. Per Capita Income and the previous year "N.C. as a Percentage of U.S." was used to project the "2014 Per Capita Income for North Carolina".

**Per Capita Income
North Carolina Compared to United States
2005 to 2014**



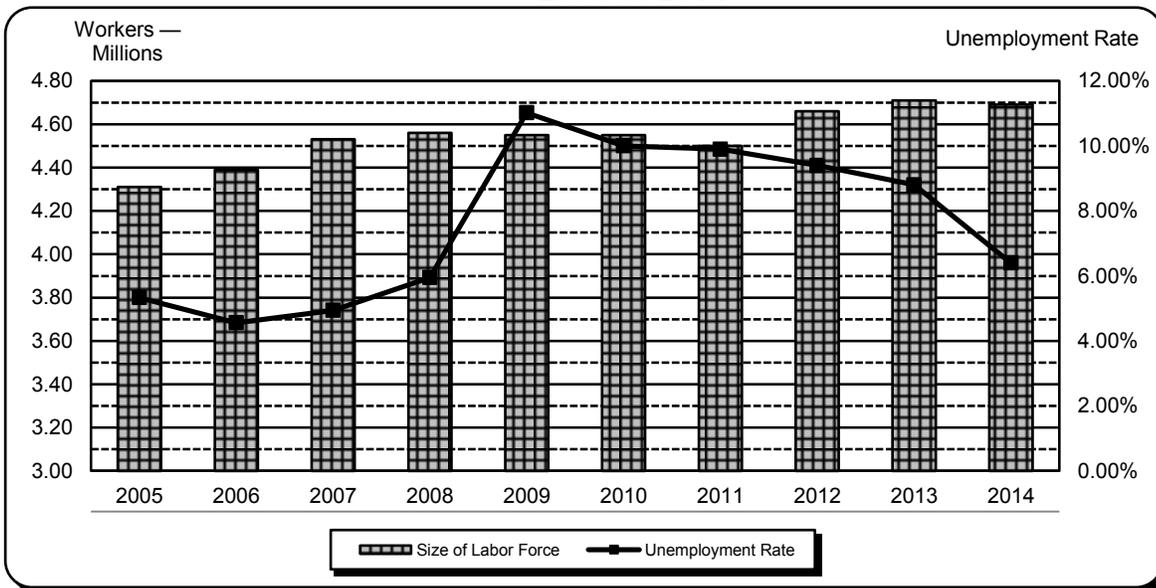
Sources: [3] Population
[4] Per Capita Income
[5] Personal Income

U.S. Department of Commerce, Bureau of the Census
U.S. Department of Commerce, Bureau of Economic Analysis
Calculated from sources 3 and 4

Table 15

Year	North Carolina Civilian Labor Force Data [6]				North Carolina - Other Data	
	Total	Employed	Unemployed	Unemployed Percentage Rate	[7] Motor Vehicles Registered	[8] Residential Construction Authorized
2014	4,688,666	4,389,480	299,186	6.40%	8,843,938	23,528
2013	4,708,565	4,292,251	416,314	8.80%	8,811,236	25,065
2012	4,655,387	4,216,014	439,373	9.40%	8,740,382	23,894
2011	4,503,162	4,055,793	447,369	9.90%	8,342,983	16,536
2010	4,545,756	4,089,199	456,557	10.00%	8,207,805	18,525
2009	4,554,663	4,052,943	501,720	11.02%	8,451,048	17,006
2008	4,559,713	4,288,621	271,092	5.95%	8,570,893	31,316
2007	4,533,682	4,309,833	223,849	4.94%	8,523,302	46,140
2006	4,394,216	4,193,971	200,245	4.56%	8,407,473	54,626
2005	4,308,482	4,078,645	229,837	5.33%	7,925,587	50,488

**Civilian Labor Force Trends
With Unemployment Percentages
2005 to 2014**



Sources: [6] Seasonally Adjusted Labor Force Data - As of June 30 N.C. Division of Employment Security
 [7] Motor Vehicle Registrations - For the Fiscal Year Ended June 30 N.C. Division of Motor Vehicles
 [8] Residential Housing Permits U.S. Department of Commerce, Bureau of the Census

PRINCIPAL EMPLOYERS

For the Fiscal Years 2005 & 2014

Table 16

Employer	2014			2005		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
State of North Carolina.....	180,000-184,999	1	4.16%	165,000-170,000	1	4.11%
Federal Government.....	65,000-69,999	2	1.54%	60,000-64,999	2	1.53%
Wal-Mart Associates, Inc.....	45,000-59,999	3	1.20%	45,000-49,999	3	1.16%
Charlotte Mecklenburg Hospital.....	30,000-34,999	4	0.74%	15,000-19,999	9	0.43%
Duke University.....	30,000-34,999	5	0.74%	25,000-29,999	4	0.67%
Food Lion LLC.....	25,000-29,999	6	0.63%	20,000-24,999	5	0.55%
Wells Fargo Bank NA.....	25,000-29,999	7	0.63%	20,000-24,999	6	0.55%
Charlotte-Mecklenburg Board of Education..	20,000-24,999	8	0.51%	15,000-19,999	7	0.43%
Bank of America NA.....	20,000-24,999	9	0.51%	—	—	—
Wake County Public schools.....	20,000-24,999	10	0.51%	15,000-19,999	8	0.43%
IBM Corporation.....	—	—	—	15,000-19,999	10	0.43%
Total.....	460,000-519,990		11.17%	395,000-444,991		10.29%

Notes: All figures are based on 1st quarter average. Percentage of total state employment is based on the average of the ranges given.

Source: North Carolina Department of Commerce – Division of Employment Security

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TEACHERS AND STATE EMPLOYEES BY FUNCTION

For the Fiscal Years 2005-2014

Functions	2014	2013	2012	2011	2010
General government.....	5,357	5,450	5,425	5,835	5,941
Primary and secondary education.....	157,205	165,167	162,124	157,380	154,107
Higher education:					
Universities.....	61,720	60,665	61,317	62,716	61,505
Community colleges.....	18,588	19,518	19,702	19,958	18,948
Health and human services (1).....	17,801	17,786	17,958	20,382	20,919
Economic development.....	3,003	2,722	2,415	2,767	2,524
Environment and natural resources (2).....	3,566	3,549	3,561	4,582	4,607
Public safety, corrections and regulation (1).....	33,635	34,668	34,650	34,045	33,140
Transportation.....	13,309	13,170	13,175	13,550	13,902
Agriculture (2).....	2,081	2,110	2,064	1,349	1,366
Totals.....	316,265	324,805	322,391	322,564	316,959

- (1) Starting in fiscal year 2012, Juvenile Justice and Delinquency Prevention is included in the public safety, corrections and regulation function; whereas in prior years it was included with the health and human services function.
- (2) Starting in fiscal year 2012, the Division of North Carolina Forest Service and Division of Soil and Water Conservation are included in the agriculture function; whereas in prior years the divisions were included with the environment and natural resources function.

Source: North Carolina Office of State Budget and Management
 Counts for fiscal year end 2014 are projected from prior year data.

Table 17

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
5,898	5,774	5,656	5,308	5,122
163,322	163,113	160,086	156,463	152,746
61,063	58,856	56,751	55,800	53,560
17,263	16,708	16,148	15,610	15,764
22,094	21,276	21,128	20,766	20,665
2,474	2,558	2,623	2,567	2,366
4,740	4,709	4,653	4,616	4,493
33,895	33,014	32,360	31,820	30,742
14,767	14,752	14,664	14,007	14,379
1,393	1,385	1,405	1,377	1,339
<u>326,909</u>	<u>322,145</u>	<u>315,474</u>	<u>308,334</u>	<u>301,176</u>

OPERATING INDICATORS BY FUNCTION

For the Fiscal Years 2005-2014

	2014	2013	2012	2011	2010
General Government					
Department of Revenue					
Number of tax returns filed electronically.....	5,427,355	5,139,849	4,801,446	4,078,310	4,089,267
Number of tax returns processed.....	10,994,901	10,772,255	10,888,330	10,596,928	10,898,544
Number of individual refunds direct deposited.....	1,934,344	1,821,767	1,702,620	1,556,340	1,376,997
Number of individual refunds processed.....	3,127,317	3,123,326	3,083,401	3,026,035	3,021,379
Number of pieces of incoming mail.....	5,129,271	5,514,005	5,827,530	6,012,977	7,219,907
Number of pieces of outgoing mail.....	8,417,904	8,172,888	8,525,983	8,972,129	8,201,770
Department of Administration					
Construction projects administered.....	7	7	6	6	16
Construction value excluding design fee (thousands).....	\$ 63,460	\$ 62,729	\$ 54,378	\$ 35,403	\$ 79,906
Cultural Resources					
Visitation to historical sites and museums.....	3,224,547	3,037,648	2,966,128	2,966,209	2,325,718
Primary and Secondary Education					
Public School(K-12)					
Public school enrollment.....	1,510,664	1,493,474	1,481,671	1,476,348	1,465,562
Total high school graduates.....	95,580	94,869	92,031	89,027	89,968
Graduate intention to pursue further education.....	84.50%	85.00%	100.00%	86.12%	85.19%
Higher Education					
Community Colleges					
Number of students (annualized FTE).....	229,924	238,092	240,338	249,934	246,656
Number of certificates and degrees awarded.....	45,392	40,224	56,140	39,255	33,922
Universities					
Number of regular term students (FTE).....	200,716	201,251	200,386	201,147	199,717
Number of certificates and degrees awarded.....	51,086	49,791	48,045	45,821	43,459
Health and Human Services					
Department of Health and Human Services					
Medicaid recipients (1).....	2,073,166	1,781,096	1,872,279	1,670,912	1,721,439
Food stamp recipients.....	1,620,115	1,670,428	2,113,648	1,567,572	1,294,732
Clients served by mental health facilities.....	3,593	3,463	4,102	4,423	6,199
Clients served by developmental disabilities facilities.....	1,212	1,289	1,283	1,334	1,323
Clients served by substance abuse facilities.....	4,047	4,181	3,901	4,200	4,103
Clients served by neuro-meds facilities.....	744	567	830	827	829
Children served through subsidized child care.....	121,112	121,303	129,752	136,564	151,363
Participation in Special Supplemental Nutrition Program.....	257,582	265,616	268,872	272,806	271,980
Clients served through Work First.....	37,256	45,201	102,367	47,166	56,186
NC Health Choice annual enrollment.....	98,537	192,044	154,927	208,563	198,613
Economic Development					
Department of Commerce					
Jobs generated company recruitment/expansion.....	14,094	16,939	15,634	22,409	18,326
Capital investment (thousands).....	\$ 2,787,447	\$ 2,139,346	\$ 3,600,000	\$ 4,151,293	\$ 2,653,795
Division of Employment Security					
Total employed.....	4,389,480	4,292,251	4,216,014	4,055,793	4,089,199
Percentage of unemployment.....	6.40%	8.80%	9.40%	9.90%	10.00%

Table 18

2009	2008	2007	2006	2005
3,502,141	3,246,333	2,799,979	2,487,716	1,922,459
11,336,722	11,258,489	10,386,112	10,437,669	9,947,817
1,294,894	1,119,403	925,321	809,473	673,976
3,081,986	3,005,539	2,832,152	2,834,960	2,732,523
6,897,757	8,636,219	8,092,899	7,986,688	8,334,624
8,443,945	9,194,775	7,844,614	9,206,342	8,687,346
135	117	61	71	226
\$ 110,674	\$ 52,660	\$ 60,028	\$ 73,006	\$ 873,713
2,079,340	2,627,987	2,748,455	2,068,910	2,356,046
1,466,803	1,462,374	1,435,275	1,368,607	1,346,681
83,618	80,606	88,691	72,580	74,691
85.09%	84.86%	84.63%	87.09%	84.64%
215,915	200,000	193,410	190,644	194,235
31,203	28,173	27,117	28,983	29,600
193,219	187,791	181,886	176,619	158,398
41,924	39,592	38,260	37,348	37,569
1,686,515	1,721,488	1,667,354	1,673,510	1,545,366
1,077,914	924,265	874,426	838,064	818,141
8,465	11,729	14,897	14,766	14,909
1,351	1,376	1,390	1,382	1,425
3,922	4,052	3,463	3,692	3,493
858	854	874	851	852
150,813	159,457	167,568	230,140	155,339
273,845	254,120	239,441	63,290	224,670
54,911	53,082	59,340	69,885	39,426
194,611	181,685	171,580	199,160	169,491
15,077	11,636	19,259	20,293	18,246
\$ 3,433,657	\$ 3,600,000	\$ 3,336,864	\$ 3,024,914	\$ 2,982,292
4,052,943	4,288,621	4,309,833	4,193,971	4,078,645
11.02%	5.95%	4.94%	4.56%	5.33%

Continued

OPERATING INDICATORS BY FUNCTION (Continued)

For the Fiscal Years 2005-2014

	2014	2013	2012	2011	2010
<u>Environment and Natural Resources</u>					
Department of Environment and Natural Resources					
Public drinking water systems in compliance.....	96%	96%	95%	96%	96%
Visitation to state parks.....	14,751,051	13,918,725	14,247,295	14,660,154	14,023,959
Visitation to Museum of Natural Sciences.....	936,905	1,205,601	914,044	675,751	656,234
Visitation to state aquariums (5).....	1,123,756	1,193,252	1,104,200	1,083,967	1,125,096
Visitation to N.C. Zoo.....	728,531	732,310	738,072	741,119	749,627
Wildlife Resources Commission					
Hunting licenses sold.....	126,524	117,473	115,420	119,347	114,677
Fishing licenses sold (inland and coastal) (6).....	823,712	772,197	791,044	797,897	787,113
Combination hunting/fishing licenses sold (6).....	204,179	199,280	198,689	198,102	198,045
Vessels registered.....	144,316	149,311	143,535	147,964	151,348
<u>Public Safety, Corrections and Regulation (4)</u>					
Department of Public Safety					
Incarcerated adult offenders.....	37,529	37,619	38,385	41,030	40,102
Supervised adult offenders.....	103,399	105,763	103,163	109,326	111,743
Juvenile offenders.....	8,141	8,625	9,090	9,332	9,867
Administrative Office of the Courts					
Cases disposed as a % of cases filed-Superior Court.....	100.00%	100.00%	100.00%	100.00%	100.00%
Cases disposed as a % of cases filed-District Court.....	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Agriculture</u>					
Department of Agriculture and Consumer Services					
Motor fuel dispensers tested (2).....	96,880	110,730	104,666	99,273	121,897
Rejection rate.....	16.36%	12.84%	9.20%	9.93%	10.77%
Retail scales tested (3).....	30,220	27,995	28,074	28,925	33,331
Rejection rate.....	8.96%	9.65%	8.14%	7.63%	11.10%

Notes:

- (1) A significant portion of the increase in Medicaid recipients from 2005 to 2006 is the result of legislation moving children formerly covered under State Child Health Insurance Program to Medicaid for 2006. This change resulted in minimal additional cost to the Medicaid program.
- (2) Governed by Gasoline and Oil Inspection Law (G.S. 119)
- (3) Governed by North Carolina Weights and Measures Act (G.S. 81A)
- (4) Starting in fiscal year 2012, Juvenile Justice and Delinquency Prevention is included in the public safety, corrections and regulation function; whereas in prior years it was included with the health and human services function.
- (5) Data not available for years prior to 2009
- (6) Beginning 2007, the Wildlife Resources Commission (WRC) began selling Coastal Recreational Fishing Licenses (CRFL) on behalf of the Department of Environment and Natural Resources, Division of Marine Fisheries. These licenses are sold as stand-alone licenses and in combination with WRC hunting and fishing licenses. The count of CRFL related licenses is reflected in the annual license totals.

Table 18

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
95%	95%	95%	94%	93%
13,378,421	12,871,661	13,292,706	12,246,845	12,376,488
763,763	727,000	667,014	622,915	556,422
991,430	—	—	—	—
729,615	729,500	746,650	682,977	705,030
110,198	106,337	106,691	107,520	107,551
794,132	778,014	625,672	357,161	332,207
204,327	210,887	219,358	207,537	211,575
143,071	140,573	142,808	363,641	354,096
40,824	39,112	38,218	37,121	36,481
114,367	116,927	117,164	116,513	117,611
10,701	10,592	10,844	10,658	10,575
97.40%	98.50%	98.50%	93.80%	95.52%
100.00%	98.28%	98.70%	98.10%	97.56%
99,461	98,736	100,928	109,699	95,735
10.29%	12.73%	13.80%	10.77%	8.87%
33,329	24,640	20,051	24,896	27,678
11.11%	10.51%	10.70%	8.28%	9.09%

CAPITAL ASSET STATISTICS BY FUNCTION

For the Fiscal Years 2005-2014

	2014	2013	2012	2011	2010
Primary Government					
General Government					
Department of Administration					
Buildings.....	105	127	120	117	129
Parking lots.....	25	25	25	25	76
Parking spaces.....	8,528	8,597	7,877	8,314	8,813
Motor Fleet vehicles	8,136	7,620	7,538	8,145	8,341
Health and Human Services					
Mental Health Institutions.....	13	12	11	11	12
Number of certified beds.....	4,245	4,402	4,314	4,331	4,688
Environment and Natural Resources					
Department of Environment and Natural Resources					
Number of state park lands.....	35	35	35	35	35
Acres of state park lands.....	155,556	153,959	152,578	150,807	148,897
Number of state recreation areas.....	4	4	4	4	4
Acres of state recreation areas.....	13,256	12,240	12,240	12,240	12,240
Number of state natural areas.....	20	20	20	20	19
Acres of state natural areas.....	23,896	22,519	22,254	22,145	20,833
Number of state lakes.....	7	7	7	7	7
Acres of state lakes.....	29,135	29,135	29,135	29,135	29,135
Zoo animals (1).....	1,816	1,622	1,593	1,355	1,569
Vehicles (7).....	883	896	856	1,889	1,764
Boats/trailers (7).....	508	489	468	633	606
Aircraft (7).....	3	3	3	26	32
Scientific equipment.....	774	689	663	789	762
Wildlife Resources Commission					
Number of game lands.....	64	57	62	62	61
Acres of game lands.....	496,134	492,440	480,257	480,257	475,212
Public Safety, Corrections and Regulation (6)					
Department of Public Safety					
Close security prisons.....	13	13	14	14	14
Medium security prisons.....	22	23	23	23	23
Minimum security prisons.....	24	29	29	33	33
Youth facilities.....	10	13	15	16	17
Vehicles:					
Passenger/cargo vans.....	122	120	152	106	108
Inmate transfer vans/buses.....	486	492	506	493	608
Inmate work crew vans/buses.....	223	222	239	243	276
Pickup trucks.....	348	338	381	349	353
Roving patrol pickups.....	97	98	91	92	103
One ton maintenance trucks.....	106	107	123	95	115
Specialty/other trucks (2).....	108	113	105	129	119
Enterprise Vehicles:					
Passenger/cargo vans.....	16	14	14	17	18
Inmate workcrew buses.....	19	15	20	23	25
Pickup trucks.....	52	44	49	49	54
One ton maintenance trucks.....	21	24	24	21	22
Specialty/other trucks.....	106	126	110	103	101

Table 19

2009	2008	2007	2006	2005
129	129	135	136	134
23	49	49	49	17
7,408	8,477	8,215	8,156	7,879
8,784	9,090	9,506	10,785	16,145
13	12	12	12	12
4,346	4,932	4,961	5,009	4,885
35	34	33	32	32
144,806	140,254	119,664	222,251	182,251
4	4	4	4	4
12,240	12,240	12,240	12,240	12,240
19	17	18	14	17
20,910	20,281	34,288	32,930	30,513
7	7	7	7	7
29,135	29,135	29,135	29,135	29,135
1,565	1,723	1,786	1,942	2,024
1,745	1,744	1,708	1,644	1,577
585	597	573	563	550
32	31	30	30	29
737	780	748	732	732
59	58	54	38	37
468,570	471,248	431,449	341,351	317,467
14	13	13	13	13
26	26	26	26	26
39	39	39	39	37
17	14	14	14	14
118	131	172	99	85
511	541	487	481	418
291	306	274	301	380
351	361	353	287	275
89	100	80	84	78
108	104	106	105	92
114	129	113	103	113
22	23	22	23	24
26	28	24	21	22
59	52	51	47	51
22	20	18	18	16
103	104	98	93	95

Continued

CAPITAL ASSET STATISTICS BY FUNCTION (Continued)

For the Fiscal Years 2005-2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Department of Public Safety					
Vehicles:					
<i>Alcohol Law Enforcement</i>					
Cars/SUV's.....	162	172	202	174	156
<i>State Highway Patrol</i>					
Cars.....	1,925	1,766	2,214	2,422	2,692
Trucks/vans.....	506	486	124	126	128
Motorcycles (3).....	40	28	26	25	19
Air craft:					
<i>State Highway Patrol</i>					
Helicopters.....	6	9	9	7	8
Transportation					
Department of Transportation					
Pavement in lane-miles:					
Primary subsystem (4).....	—	15,064	15,052	15,002	14,952
Secondary subsystem (4).....	—	64,514	64,440	64,413	64,378
Bridges:					
Number of bridges.....	13,552	13,557	13,583	13,531	13,251
Number of culverts.....	4,496	4,547	4,710	4,730	5,056
Vehicles.....	9,463	9,484	8,997	8,337	8,422
Heavy equipment.....	14,808	14,221	13,827	12,703	12,647
Component Units					
Higher Education					
Community Colleges					
Buildings.....	1,182	1,178	1,174	1,161	1,134
Universities					
Academic/administrative buildings.....	1,010	1,003	1,011	993	962
Dormitories/auxiliary buildings.....	684	692	680	654	640
Medical (5).....	39	36	34	31	37
University System Hospitals					
Administration.....	18	18	11	4	4
Clinical.....	52	52	14	12	11
Facility services.....	10	9	6	6	6
Hospital.....	7	8	6	6	6

Notes:

- (1) 500-600 fish were lost due to aquarium malfunction in 2005.
- (2) Includes boom trucks, cranes, flat beds, rollbacks, yard trucks, dump trucks, semi-trucks, etc.
- (3) Prior year data from the source was not available.
- (4) Recent data from the source was not available, as of the date of publication.
- (5) East Carolina Teaching Hospital
- (6) Starting in fiscal year 2012, Juvenile Justice and Delinquency Prevention is included in the public safety, corrections and regulation function; whereas in prior years it was included with the health and human services function.
- (7) Starting in fiscal year 2012, vehicles, boats/trailers, and aircraft have decreased because the Division of North Carolina Forest Service and Division of Soil and Water Conservation are now included in Department of Agriculture; whereas in prior years the divisions were included with Department of Environment and Natural Resources.

Table 19

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
156	150	151	156	134
2,692	2,722	2,530	2,417	2,283
128	111	115	114	59
19	16	16	9	—
8	8	8	13	14
14,919	14,885	14,871	14,833	14,805
64,267	64,553	64,390	64,209	64,204
13,222	13,152	13,053	13,007	12,961
5,007	5,004	4,979	4,912	4,879
9,349	8,850	8,850	5,823	6,347
13,216	12,116	8,920	3,119	3,359
1,097	1,046	1,024	1,014	1,025
933	911	971	930	918
560	523	613	583	565
39	58	58	51	51
4	4	4	4	4
12	11	11	10	10
6	6	6	6	6
5	4	4	4	4

REQUIRED SUPPLEMENTARY INFORMATION
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
PUBLIC SCHOOL INSURANCE FUND
For the Fiscal Years Ended June 30, 2005-2014

The following table illustrates how earned revenues (net of reinsurance) and investment income of the Public School Insurance Fund (the Fund) compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund for the last ten fiscal years ended June 30. The rows of the table are defined as follows:

- (1) Total of each fiscal year's earned contribution revenues, investment revenues, contribution revenues ceded to excess insurers or reinsurers, and amount of reported revenues net of excess insurance or reinsurance.
- (2) Each fiscal year's other operating costs of the Fund, including overhead and claims expense not allocable to individual claims.
- (3) The Fund's incurred claims (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (before the effect of loss assumed by excess insurers or reinsurers), the loss assumed by excess insurers or reinsurers, and total net amount of incurred claims and allocated claim adjustment expenses.
- (4) Cumulative amounts paid as of the end of successive years for each policy year.
- (5) The most current reestimated amount of losses assumed by reinsurers for each accident year. The amount can and will be changed as claims and expenses are reevaluated.
- (6) The reestimated net incurred claims and expenses based on the information available as of the end of the year. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
- (7) Comparison of the latest reestimated net incurred claims amount to the amount originally established (line 3) and indication of whether this latest estimate of claims cost is greater or less than originally thought.

REQUIRED SUPPLEMENTARY INFORMATION
TEN-YEAR CLAIMS DEVELOPMENT INFORMATION
PUBLIC SCHOOL INSURANCE FUND

For the Fiscal Years Ended June 30, 2005-2014

Table 20

As data for individual policy years mature, the correlation between original estimated and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns in the table present data for successive policy years. Amounts are expressed in thousands.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1) Required contribution and investment revenue:										
Earned.....	\$ 16,219	\$ 12,538	\$ 14,509	\$ 18,430	\$ 18,054	\$ 20,337	\$ 16,257	\$ 20,699	\$ 13,978	\$ 9,814
Ceded.....	2,380	2,489	3,077	2,371	3,642	3,852	3,576	3,717	4,502	4,313
Net earned.....	13,839	10,049	11,432	16,059	14,412	24,189	19,833	24,416	18,480	14,127
2) Unallocated expenses	2,951	3,092	3,672	664	680	659	666	701	714	695
3) Estimated claims and expenses, end of policy year:										
Incurred.....	2,093	3,096	14,915	1,718	2,253	1,783	20,340	19,304	6,386	8,585
Ceded.....	—	—	—	—	—	—	—	—	—	—
Net incurred.....	2,093	3,096	14,915	1,718	2,253	1,783	20,340	19,304	6,386	8,585
4) Paid (cumulative) as of:										
End of policy year.....	3,129	3,130	15,174	1,426	1,746	1,502	5,505	6,992	1,975	1,845
One year later.....	3,536	4,005	19,270	2,016	2,149	2,082	13,090	9,389	3,465	
Two years later.....	3,536	4,005	19,270	2,016	2,149	2,082	13,090	9,389		
Three years later.....	3,536	4,005	19,270	2,016	2,149	2,082	13,090			
Four years later.....	3,536	4,005	19,270	2,016	2,149	2,082				
Five years later.....	3,536	4,005	19,270	2,016	2,149					
Six years later.....	3,536	4,005	19,270	2,016						
Seven years later.....	3,536	4,005	19,270							
Eight years later.....	3,536	4,005								
Nine years later.....	3,536									
5) Reestimated ceded claims and expenses.....	—	—	—	—	—	—	—	—	—	—
6) Reestimated net incurred claims and expenses:										
End of policy year.....	2,093	3,096	14,915	1,718	2,253	1,783	20,340	19,304	6,386	8,585
One year later.....	2,093	3,096	11,348	1,653	2,276	1,846	27,242	13,159	4,985	
Two years later.....	2,093	3,096	11,348	1,979	2,269	1,846	27,242	13,159		
Three years later.....	2,093	3,096	11,348	1,979	2,269	1,846	27,242			
Four years later.....	2,093	3,096	11,348	1,979	2,269	1,846				
Five years later.....	2,093	3,096	11,348	1,979	2,269					
Six years later.....	2,093	3,096	11,348	1,979						
Seven years later.....	2,093	3,096	11,348							
Eight years later.....	2,093	3,096								
Nine years later.....	2,093									
7) Increase (decrease) in estimated net incurred claims and expenses from end of policy year.....	—	—	(3,567)	261	16	63	6,902	(6,145)	(1,401)	—

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**Accounting and Financial Reporting Section
North Carolina Office of the State Controller
1410 MAIL SERVICE CENTER
Raleigh, North Carolina 27699-1410**

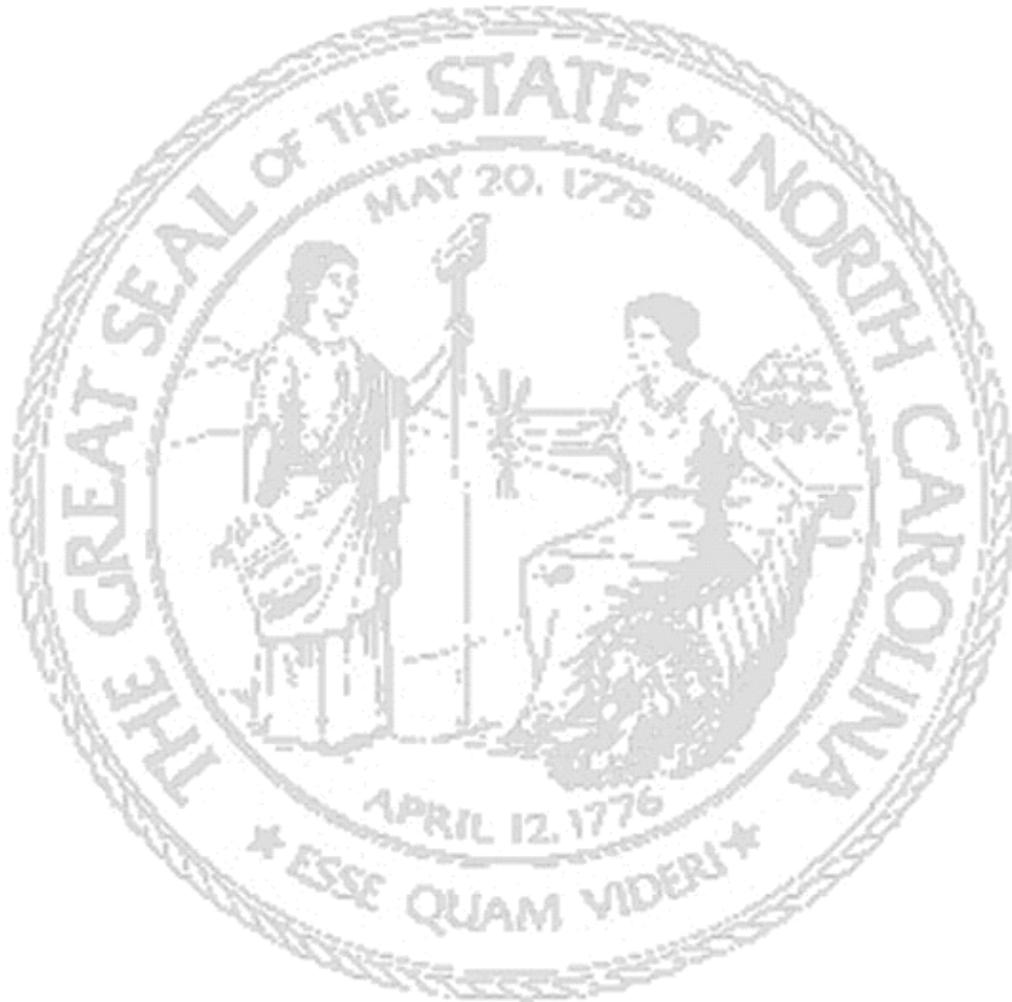
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Single Audit Report

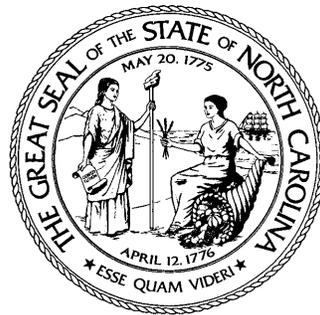
For the Year Ended June 30, 2014



Office of the State Auditor
Beth A. Wood, CPA
State Auditor

State of North Carolina

STATE OF NORTH CAROLINA



SINGLE AUDIT REPORT

2 0 1 4

OFFICE OF THE STATE AUDITOR
BETH A. WOOD, CPA
STATE AUDITOR

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North Carolina Office of the State Auditor

Our Mission and Our Commitment

The Office of the State Auditor protects the interests of taxpayers and others who provide financial resources to the State of North Carolina. Specifically, we provide objective information to interested parties about whether economic resources are properly accounted for, reported and managed; as well as whether publically-funded programs are achieving desired results.

The Office of the State Auditor's mission is accomplished by conducting thorough audits and investigations. These audits and investigations are performed by highly competent and professional staff and result in useful and practical recommendations to improve services provided by North Carolina state government.

This office will always strive for the highest standards in professional conduct, independence and integrity as we pursue our mission. If we find financial management deficiencies, we will report them without apology because our ultimate responsibility is to the citizens and taxpayers of North Carolina.

A handwritten signature in black ink that reads "Beth A. Wood". The signature is written in a cursive, flowing style.

Beth A. Wood, CPA
State Auditor

Office of the State Auditor



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State Auditor

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March 26, 2015

The Honorable Pat McCrory, Governor
The General Assembly of North Carolina

We are pleased to submit the *Single Audit Report* for the State of North Carolina for the fiscal year ended June 30, 2014. The audit was conducted in accordance with standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the requirements of the Single Audit Act Amendments of 1996, and the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

This *Single Audit Report* reflects federal awards of \$20.96 billion. This report includes significant deficiencies and material weaknesses in internal control relating to major federal programs and instances of noncompliance, including several that we believe constitute material noncompliance, that meet the criteria of OMB Circular A-133.

The North Carolina *Comprehensive Annual Financial Report* for the fiscal year ended June 30, 2014, has been issued in a separate report by the Office of the State Controller. In accordance with *Government Auditing Standards*, we are issuing our report on our consideration of the State of North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements that have an effect on the financial statements.

The deficiencies in internal control and instances of noncompliance arising from our audit that are required to be reported by *Governmental Auditing Standards* or the Single Audit Act and OMB Circular A-133 are described in the Schedule of Findings and Questioned Costs.

We wish to acknowledge the assistance of the North Carolina Office of the State Controller and the cooperation of other state agencies, community colleges, and universities in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth A. Wood".

Beth A. Wood, CPA
State Auditor

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AUDITOR’S SECTION

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INDEPENDENT AUDITOR'S 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

The Honorable Pat McCrory, Governor
The General Assembly of North Carolina

We have audited, in accordance with the 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State's basic financial statements (not presented herein), and have issued our report thereon dated December 2, 2014.

Our report includes a reference to other auditors who audited the financial statements of the North Carolina State Lottery Fund, the North Carolina Turnpike Authority, the North Carolina Housing Finance Agency, the State Education Assistance Authority, the University of North Carolina System – University of North Carolina Health Care System – Rex Healthcare, the Supplemental Retirement Income Plan of North Carolina, the North Carolina Public Employee Deferred Compensation Plan, and the cash basis claims and benefits of the North Carolina State Health Plan, as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the University of North Carolina System – University of North Carolina Health Care System – Rex Healthcare were not audited in accordance with *Government Auditing Standards*. As of the date of our report on the financial statements of the State of North Carolina, the financial statements of the State Education Assistance Authority were not audited in accordance with *Government Auditing Standards*; however, subsequent to that date, an audit in accordance with *Government Auditing Standards* was completed.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of North Carolina'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 the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State'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 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 the State of North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

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 result 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 State of North Carolina's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

December 2, 2014

Office of the State Auditor

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

The Honorable Pat McCrory, Governor
The General Assembly of North Carolina

Report on Compliance for Each Major Federal Program

We have audited the State of North Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State of North Carolina's major federal programs for the year ended June 30, 2014. The State of North Carolina's major federal programs are identified in Section I, Summary of Auditor's Results, in the accompanying Schedule of Findings and Questioned Costs.

The State of North Carolina's financial reporting entity includes the operations of the State Education Assistance Authority and the North Carolina Housing Finance Agency. These agencies reported \$2.2 billion and \$275 million, respectively, in federal awards which are not included in the Schedule of Expenditures of Federal Awards during the year ended June 30, 2014. Our audit, described below, did not include the operations of the State Education Assistance Authority and the North Carolina Housing Finance Agency because these agencies engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State of North Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. The State of North Carolina arranges with local government social services agencies to perform the "intake function" to determine eligibility for the following major programs: Medicaid Cluster, Temporary Assistance for Needy Families Cluster, Special Supplemental Nutrition Program for Women, Infants and Children, Children's Health Insurance Program, and Adoption Assistance. We designated these programs to be audited as major programs at certain local governments by their local government auditors. The results

of these audits were furnished to us, and our opinion, insofar as it relates to the intake function for these programs, is based on the other auditors' results.

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*. Those standards and OMB Circular A-133 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 the State of North Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit and the work of the other auditors provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the State of North Carolina's compliance with those requirements.

Basis for Qualified Opinion on Certain Major Federal Programs

As described in Section III, Federal Award Findings and Questioned Costs, in the accompanying Schedule of Findings and Questioned Costs, the State of North Carolina did not comply with several compliance requirements that are applicable to several of its major federal programs, as follows:

Finding Number	Type of Compliance Requirement	CFDA	Major Federal Program
2014-007	Reporting	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
2014-009	Reporting	17.258	WIA Adult Program
2014-011	Reporting	17.259	WIA Youth Activities
2014-013	Reporting	17.278	WIA Dislocated Worker Formula Grants
2014-016	Special Tests and Provisions	20.205	Highway Planning and Construction
2014-018	Reporting	20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants
2014-019	Reporting	20.509	Formula Grants for Rural Areas
2014-021	Subrecipient Monitoring	20.509	Formula Grants for Rural Areas
2014-022	Subrecipient Monitoring	20.509	Formula Grants for Rural Areas
2014-023	Special Tests and Provisions	20.509	Formula Grants for Rural Areas
2014-025	Special Tests and Provisions	84.007	Federal Supplemental Educational Opportunity Grants

Finding Number	Type of Compliance Requirement	CFDA	Major Federal Program
2014-026	Special Tests and Provisions	84.007	Federal Supplemental Educational Opportunity Grants
2014-029	Special Tests and Provisions	84.010	Title I Grants to Local Educational Agencies
2014-032	Procurement and Suspension and Debarment	84.031	Higher Education-Institutional Aid
2014-033	Special Tests and Provisions	84.033	Federal Work-Study Program
2014-034	Special Tests and Provisions	84.033	Federal Work-Study Program
2014-035	Special Tests and Provisions	84.038	Federal Perkins Loan Program – Federal Capital Contributions
2014-036	Special Tests and Provisions	84.038	Federal Perkins Loan Program – Federal Capital Contributions
2014-039	Special Tests and Provisions	84.063	Federal Pell Grant Program
2014-040	Special Tests and Provisions	84.063	Federal Pell Grant Program
2014-041	Special Tests and Provisions	84.063	Federal Pell Grant Program
2014-042	Special Tests and Provisions	84.063	Federal Pell Grant Program
2014-043	Allowable Costs/Cost Principles	84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
2014-049	Special Tests and Provisions	84.268	Federal Direct Student Loans
2014-051	Special Tests and Provisions	84.268	Federal Direct Student Loans
2014-052	Special Tests and Provisions	84.268	Federal Direct Student Loans
2014-053	Special Tests and Provisions	84.268	Federal Direct Student Loans
2014-054	Special Tests and Provisions	84.268	Federal Direct Student Loans
2014-055	Subrecipient Monitoring	84.287	Twenty-First Century Community Learning Centers
2014-059	Allowable Costs/Cost Principles	84.395	ARRA – State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act
2014-061	Reporting	93.044	Special Programs for the Aging-Title III, Part B – Grants for Supportive Services and Senior Centers
2014-062	Reporting	93.045	Special Programs for the Aging-Title III, Part C – Nutrition Services
2014-063	Reporting	93.053	Nutrition Services Incentive Program

Finding Number	Type of Compliance Requirement	CFDA	Major Federal Program
2014-065	Reporting	93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
2014-069	Allowable Costs/Cost Principles	93.767	Children's Health Insurance Program
2014-075	Allowable Costs/Cost Principles	93.778	Medical Assistance Program
2014-080	Special Tests and Provisions	93.778	Medical Assistance Program
2014-094	Allowable Costs/Costs Principles and Special Tests and Provisions	Various	Research and Development Cluster

Compliance with such requirements is necessary, in our opinion, for the State of North Carolina to comply with the requirements applicable to those programs.

Qualified Opinion on Certain Major Programs

In our opinion, based on our audit and the work of other auditors, except for the noncompliance described in the Basis for Qualified Opinion paragraph above, the State of North Carolina 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 federal programs for the year ended June 30, 2014.

Unmodified Opinion of Each of the Other Major Federal Programs

In our opinion, based on our audit and the work of other auditors, the State of North Carolina 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 other major federal programs identified in Section I, Summary of Auditor's Results, in the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, 2014-038, 2014-043, 2014-047, 2014-066, 2014-067, 2014-069, 2014-070, 2014-074, 2014-075, 2014-076, 2014-077, 2014-079, 2014-083, 2014-084, and 2014-085. Our opinion on each major federal program is not modified with respect to these matters.

The State of North Carolina's responses to the noncompliance findings identified in our audit are described in Section III, Federal Award Findings and Questioned Costs, of the accompanying Schedule of Findings and Questioned Costs. The State of North Carolina's

responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the State of North Carolina 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 the State of North Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of North Carolina's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in Section III, Federal Award Findings and Questioned Costs, of the accompanying Schedule of Findings and Questioned Costs as items 2014-007, 2014-009, 2014-011, 2014-013, 2014-016, 2014-018, 2014-019, 2014-020, 2014-021, 2014-022, 2014-023, 2014-025, 2014-026, 2014-027, 2014-029, 2014-031, 2014-032, 2014-033, 2014-034, 2014-035, 2014-036, 2014-037, 2014-038, 2014-039, 2014-040, 2014-041, 2014-042, 2014-043, 2014-044, 2014-046, 2014-047, 2014-048, 2014-049, 2014-051, 2014-052, 2014-053, 2014-054, 2014-055, 2014-056, 2014-057, 2014-058, 2014-059, 2014-060, 2014-061, 2014-062, 2014-063, 2014-065, 2014-069, 2014-075, 2014-080, 2014-081, 2014-088, and 2014-094, to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a 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. We consider the deficiencies in internal control over compliance described in Section III, Federal Award Findings and Questioned Costs, of the accompanying Schedule of Findings and Questioned Costs as items, 2014-001, 2014-002, 2014-004, 2014-005, 2014-006, 2014-008,

2014-010, 2014-012, 2014-014, 2014-015, 2014-017, 2014-024, 2014-028, 2014-030, 2014-045, 2014-050, 2014-064, 2014-068, 2014-070, 2014-071, 2014-072, 2014-073, 2014-076, 2014-077, 2014-078, 2014-082, 2014-083, 2014-084, 2014-085, 2014-086, 2014-087, 2014-089, 2014-090, 2014-091, 2014-092, and 2014-093 to be significant deficiencies.

The State of North Carolina's responses to the internal control over compliance findings identified in our audit are described in Section III, Federal Award Findings and Questioned Costs, of the accompanying Schedule of Findings and Questioned Costs. The State of North Carolina's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of North Carolina as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State of North Carolina's basic financial statements (not presented herein). We issued our report thereon dated December 2, 2014, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors.

As discussed in Note 22 to the financial statements, during the year ended June 30, 2014, the State implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. Our opinion was not modified with respect to this matter.

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. Other auditors audited the financial statements of the North Carolina State Lottery Fund, the North Carolina Turnpike Authority, the North Carolina Housing Finance Agency, the State Education Assistance Authority, the University of North Carolina System – University of North Carolina Health Care System – Rex Healthcare, the Supplemental Retirement Income Plan of North Carolina, the North Carolina Public Employee Deferred Compensation Plan, and the cash basis claims and benefits of the North Carolina State Health Plan, as described in our report on the State's financial statements. The financial statements of the University of North Carolina System – University of North Carolina Health Care System – Rex Healthcare were not audited in accordance with *Government Auditing Standards*. As of the date of our report on the State of North Carolina's financial statements, the financial statements of the State Education Assistance Authority were not audited in accordance with *Government Auditing Standards*; however, subsequent to that date, an audit in accordance with *Government Auditing Standards* was completed.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 basic 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 basic financial statements or to the basic 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 Expenditure of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

March 24, 2015 (except as related to the Report on
the Schedule of Expenditures of Federal Awards,
as to which the date is December 2, 2014)

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended June 30, 2014

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS**I. Summary of Auditor's Results**

For the Fiscal Year Ended June 30, 2014

Financial Statements

- | | |
|--|-------------|
| – Type of auditor's report issued? | Unqualified |
| – Internal control over financial reporting: | |
| • Material weaknesses identified? | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | No |
| – Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|--|--|
| – Internal control over major programs: | |
| • Material weaknesses identified? | Yes |
| • Significant deficiencies identified that are not considered to be material weaknesses? | Yes |
| • Type of auditor's report issued on compliance for major programs? | Unqualified for all major programs except for the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii; WIA Adult Program; WIA Youth Activities; WIA Dislocated Worker Formula Grants; Highway Planning and Construction; High-Speed Rail Corridors and Intercity Passenger Rail Services – Capital Assistance Grants; Formula Grants for Rural Areas; Federal Supplemental Educational Opportunity Grants; Title I Grants to Local Education Agencies; Higher Education – Institutional Aid; Federal Work Study Program; Federal Perkins Loan Program – Federal Capital Contributions; Federal Pell Grant Program; Rehabilitation Services – Vocational Rehabilitation Grants to States; Federal Direct Student Loans; Twenty-First Century Community Learning Centers; ARRA – State Fiscal Stabilization Funds (SFSF) – Race-to-the-Top Incentive |

SCHEDULE OF FINDINGS AND QUESTIONED COSTS**I. Summary of Auditor's Results**

For the Fiscal Year Ended June 30, 2014

Grants, Recovery Act; Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers; Special Programs for the Aging – Title III, Part C – Nutrition Services; Nutrition Services Incentive Program; Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements; Children's Health Insurance Program; Medical Assistance Program; and Research and Development Cluster which is qualified.

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes
- Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
AGEC	Aging Cluster
CHNC	Child Nutrition Cluster
CWSR	Clean Water State Revolving Fund Cluster
DWSR	Drinking Water State Revolving Fund Cluster
EMPS	Employment Services Cluster
HPCC	Highway Planning and Construction Cluster
MEDC	Medicaid Cluster
RD	Research and Development Cluster
SCPC	CDBG – State-Administered CDBG Cluster
SFAC	Student Financial Assistance Cluster
SIGC	School Improvement Grants Cluster
SNAP	Supplemental Nutrition Assistance Program (SNAP) Cluster
SPED	Special Education Cluster (IDEA)
TANF	Temporary Assistance for Needy Families (TANF) Cluster
WIAC	Workforce Investment Act (WIA) Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program (CACFP)
17.225	Unemployment Insurance

SCHEDULE OF FINDINGS AND QUESTIONED COSTS**I. Summary of Auditor's Results**

For the Fiscal Year Ended June 30, 2014

CFDA Number	Name of Federal Program or Cluster (continued)
20.319	High-Speed Rail Corridors & Intercity Passenger Rail Service – Capital Assistance Grants
20.509	Formula Grants for Rural Areas
84.010	Title I Grants to Local Education Agencies
84.031	Higher Education – Institutional Aid
84.048	Career and Technical Education – Basic Grants to States
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers
84.367	Improving Teacher Quality State Grants
84.395	ARRA – State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.767	Children's Health Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program
–	Dollar threshold used to distinguish between type A and type B programs? \$31,440,478
–	Auditee qualified as low-risk auditee? No

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

II. Financial Statement Findings

For the Fiscal Year Ended June 30, 2014

Type of Finding	Findings and Recommendations
-----------------	------------------------------

No reportable findings and recommendations resulted from our audit of the basic financial statements of the State of North Carolina.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

III. Federal Award Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2014

The following findings, recommendations, and questioned costs are the results of the single audit of the State of North Carolina for the fiscal year ended June 30, 2014. Each finding is referenced with a four-digit number representing the fiscal year audited and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance. Findings included in this section are related to major programs.

Category of Internal Control Weakness

If the finding represents a weakness in internal control over compliance, one of the following designations will appear:

- **Significant Deficiency** – A significant deficiency in internal control over compliance is a deficiency, or a 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.
- **Material Weakness** – A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

- **Material Noncompliance** – A finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or an audit objective identified in *OMB Circular A-133 Compliance Supplement*.
- **Questioned Cost Finding** – A finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

10.551 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-001	<u>Eligibility:</u> Significant Deficiency	<p data-bbox="535 556 1104 588"><u>Deficiencies in Eligibility System Access Controls</u></p> <p data-bbox="535 619 1461 745">The Department did not conduct server and database access reviews of the eligibility system (NC FAST). Performance of access reviews ensure that individuals are limited to access needed to accomplish job functions in NC FAST.</p> <p data-bbox="535 777 1461 840">The lack of access reviews could result in payment of erroneous participant benefits.</p> <p data-bbox="535 871 1461 966">According to the Department, the close working environment of staff makes the addition or removal of individuals apparent; therefore, there was no need to perform formal access reviews.</p> <p data-bbox="535 997 1461 1060">The Statewide Information Security Manual (2013) section 020101 requires a "documented review of privileged user accounts every 3 months."</p> <p data-bbox="535 1092 1461 1186"><i>Federal Award Information:</i> This finding affects the Supplemental Nutrition Assistance Program for the federal fiscal years ended September 30, 2013, and September 30, 2014.</p> <p data-bbox="535 1218 1461 1281"><i>Recommendation:</i> The Department should perform server and access reviews in accordance with the Statewide Information Security Manual.</p> <p data-bbox="535 1312 1169 1344"><i>Agency Response:</i> The Department disagrees in part.</p> <p data-bbox="535 1375 1461 1459">The Department has procedures in place to approve and revoke access to production servers and databases per the Statewide Information Security Manual.</p> <p data-bbox="535 1491 1461 1585">The Department is instituting a standardized reporting process to monitor and review server and database access in accordance to the Statewide Information Security Manual, which was updated in January 2015.</p> <p data-bbox="535 1617 1461 1858">Office of Information Technology Services (ITS) and North Carolina Families Accessing Services through Technology (NC FAST) have recently changed the way that staff authenticates to the servers. This change aligned NC FAST servers to a centralized authentication process. The Department is working with ITS staff to develop reports that will include the level of user access to each server. The Department is also working to develop a similar level of reports for production database access. The anticipated completion date to finalize the reports and processes is September 30, 2015.</p>

10.551 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-002	Special Tests and Provisions: Significant Deficiency Questioned Cost Finding \$12,671	<p data-bbox="535 556 1218 588"><u>SNAP Eligibility Determinations Not Performed Accurately</u></p> <p data-bbox="535 619 1461 829">The Department had numerous deficiencies in SNAP eligibility determination procedures that resulted in noncompliance with federal regulations. During state fiscal year 2014, the SNAP eligibility system (NC FAST) processed benefit payments for 1.2 million households. The identified overpayments and questioned costs totaled \$12,671. Where sampling was used, the results identified only \$12,090 in questioned costs. If tests were extended to the entire population, questioned costs could be significant to the program.</p> <ul data-bbox="584 871 1461 1669" style="list-style-type: none"> <li data-bbox="584 871 1461 934">• Income certification periods exceeded the 12 month period required by federal guidelines for 1,899 households. <li data-bbox="584 966 1461 1081">• Four of 13 (31%) inactive cases were not closed out in NC FAST as required by federal guidelines. In addition, two of the four cases identified were inappropriately reopened by case workers. Total identified questioned costs were \$581. <li data-bbox="584 1123 1461 1239">• Auditors tested a sample of 96 out of 20,741 cases changed from a closed status and found 10 (10%) cases inappropriately reopened by case workers. Under federal guidelines, new cases should have been created. Total identified questioned costs were \$3,060. <li data-bbox="584 1281 1461 1428">• Auditors tested a sample of 48 out of 3,250 payment authorizations made outside the households' certification period and found 34 (71%) errors. Exceptions included failure to prorate benefits, missing income documentation, and households with two active cases. Total identified questioned costs were \$8,030. <li data-bbox="584 1470 1461 1669">• Auditors tested a sample of 60 out of 1,221,208 households and identified 12 (20%) instances where notices were inaccurate, blank, or not generated by NC FAST. Notices are sent to households to inform them of case disposition, adverse action, mass change, and expiration. One of the instances noted above was for payments made to a household when it did not have a certification period and no notices were sent. Total identified questioned costs were \$1,000. <p data-bbox="535 1711 1461 1768">As a result, the Department made at least \$12,671 of benefit overpayments to households, increasing the overall costs to the program.</p>

According to the Department, case workers struggled to process cases in the first full year operating NC FAST. Based on audit work performed on the

10.551 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>quality control review program, the Department did not use results from those reviews to ensure effective system operation.</p> <p>Federal regulations for the SNAP program include:</p> <ul style="list-style-type: none"> • Federal regulation 7 CFR 273.10(f): "The state agency must certify each eligible household for a definite period of time. The certification period cannot exceed 12 months." • Federal regulation 7 CFR 272.10(b)(iii): "Provide for an automatic cutoff of participation for households which have not been recertified at the end of their certification period." • Federal regulation 7 CFR 273.10(a)(2): "If a household submits an application after the household's certification period has expired, that application shall be considered an initial application and benefits for that month shall be prorated." • Federal regulation 7 CFR 272.10(b)(1)(iv) requires the system to generate notices to households for: "(A) Case Disposition, (B) Adverse Action and Mass Change, and (C) Expiration." • Federal regulation 7 CFR 273.18 requires state agencies to establish claims against households for intentional program violations, inadvertent household errors, and agency errors. <p>Similar aspects of this finding were reported in the prior year.</p> <p><i>Federal Award Information:</i> This finding affects the Supplemental Nutrition Assistance Program for the federal fiscal years ended September 30, 2013, and September 30, 2014.</p> <p><i>Recommendations:</i> The Department should ensure certification periods for households are accurate.</p> <p>The Department should monitor NC FAST to ensure inactive cases automatically close.</p> <p>The Department should monitor NC FAST to investigate reopened cases.</p> <p>The Department should ensure participants only receive benefit authorizations for eligible periods.</p>

10.551 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>The Department should ensure notices are properly sent to participants.</p> <p>The Department should ensure claims are established to recoup identified overpayments.</p> <p><i>Agency Response:</i> The Department's Food and Nutrition Services (SNAP) Policy Manual specifically addresses each of the topics described in the findings and recommendations and provides appropriate guidance to the county departments of social services prior to and post-implementation of NC FAST functionality. NC FAST was operating in accordance with the business rules implemented. The Department reviewed the business rules in accordance with policy and made revisions where necessary.</p> <p><i>Accuracy of Certification Periods:</i> The Department monitors the accuracy of the certification periods by randomly sampling case files during the Food and Nutrition Services Management (SNAP) Evaluation of county departments of social services.</p> <p>On December 6, 2013, the certification periods were updated in NC FAST and the clients were sent a recertification form.</p> <p><i>Monitor Inactive Cases:</i> The Department's Food and Nutrition Services (SNAP) Policy Manual permits county departments of social services' caseworkers to reopen cases in certain defined circumstances. Sections 425.04 PROCESSING TIMELY DSS- 2435 RECERTIFICATION FORMS and 425.05 PROCESSING UNTIMELY DSS-2435 RECERTIFICATION FORMS describe the policies in effect prior to and post-implementation of NC FAST functionality.</p> <p>The Department has evaluated the batch closure process and will implement changes in NC FAST by the end of May 2015 to ensure that all cases are closed according to policy guidelines. Also, measures will be taken to prevent inappropriate reopening of cases by the end of April 2015. Until the change is fully implemented, a report will be generated to identify any cases not closing as per the guidelines. Monitors will select a random sample of case files for accuracy, and review reopened cases at that time.</p> <p><i>Monitor Reopened Cases:</i> The Department's Food and Nutrition Services (SNAP) Policy Manual permits county departments of social services' caseworkers to reopen cases in certain defined circumstances. Sections 425.04 PROCESSING TIMELY DSS-2435 RECERTIFICATION FORMS and 425.05 PROCESSING UNTIMELY DSS-2435 RECERTIFICATION FORMS</p>

10.551 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	describe the policies in effect prior to and post-implementation of NC FAST functionality.
	The Department has evaluated the reopened process and will add an additional warning message to alert the county departments of social services' caseworker before the reopen action can be taken in NC FAST by the end of April 2015. Also, monitors will select a random sample of reopened case files to ensure accuracy.
	Benefit Authorizations for Eligible Periods: Based on our review of the referenced cases, it was determined that the caseworker modified the certification period after one or more payments had been issued, giving the impression that the system issued the payments outside of the certification period. The Department has evaluated the modifications of certification periods and, by end of May 2015, the Department will add several validations to prevent users from changing certification periods as indicated below.
	<ol style="list-style-type: none"> 1. Restrict user from updating any prior certification periods (for which payments have been issued), and allow updates to only the current certification period. 2. Restrict user from updating the start date of a certification period and only allow the change to the end date. 3. Restrict user from updating the certification period if the period is in the past. 4. Restrict the certification period from being more than 12 months for FNS cases. 5. Restrict the certification period if a payment has been issued for any month within the certification period.
	On December 21, 2014, additional system changes were made to prevent two active cases from paying at the same time.
	Notices Sent to Participants: On December 22, 2014, the Department revised all the denial notices to include the specific reason for denial and the specific actions that a client must take. On February 13, 2015, NC FAST communicated specific actions that must be taken by the county departments of social services eligibility workers to ensure that the notices will print with the required statements. A statewide webinar was conducted on March 18, 2015

10.551 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>to address the issues regarding correct actions needed to ensure correct notices are generated by NC FAST.</p> <p>Recoupment of Overpayments: The cases with questioned cost will be researched to determine the overpayment amounts and recoupments will be established. The anticipated completion date is June 30, 2015.</p>

10.557 SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN**III. Federal Award Findings and Questioned Costs**

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-003	<u>Eligibility:</u> Questioned Cost Finding	<p data-bbox="535 556 1218 588"><u>Deficiencies in County Eligibility Determination Processes</u></p> <p data-bbox="535 619 1461 861">County health departments process applications related to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Certified Public Accountants performing the county audits tested 1,225 case files and found eligibility documentation deficiencies in five (0.4%) cases. The document deficiencies noted by the auditors were related to key eligibility requirements for the program. These files were missing items such as verification of identity, residency, income, and documentation for expiration of Medicaid benefits.</p> <p data-bbox="535 892 1461 1113">There were no questioned costs identified by the auditors; however, these errors identify the potential for questioned costs exceeding \$10,000 for the program. OMB A-133 Section .510(a)(3) requires auditors to report known questioned costs when likely questioned costs are greater than \$10,000. Even though sample results identified no questioned costs, if tests were extended to the entire population, questioned costs would likely exceed \$10,000 and could be significant to the program.</p> <p data-bbox="535 1144 1445 1176">The issues identified could result in service payments for ineligible recipients.</p> <p data-bbox="535 1207 1461 1291">These errors were caused by the county health departments not effectively monitoring eligibility determinations to ensure that proper supporting documentation was included.</p> <p data-bbox="535 1323 1461 1386">In accordance with 7 CFR 247, state and local agencies must maintain accurate and complete records relating to eligibility determinations.</p> <p data-bbox="535 1417 1266 1449">Similar aspects of the finding were reported in previous years.</p> <p data-bbox="535 1480 1461 1575"><i>Federal Award Information:</i> This finding affects the Special Supplemental Nutrition Program for Women, Infants, and Children federal grant award 5NC700705 for the federal fiscal years ended September 30, 2013 and 2014.</p> <p data-bbox="535 1606 1461 1690"><i>Recommendation:</i> The Department should monitor to ensure eligibility determinations are completed accurately and supporting documentation is maintained in case files.</p> <p data-bbox="535 1722 1461 1879"><i>Agency Response:</i> The Department researched each of the five (5) cases identified above as deficient and verified eligibility, including the fact that the eligibility data was maintained in the Women, Infants, and Children (WIC) Automated Data Processing System. In addition, the Department verified that corrective action was implemented by the relevant local agencies.</p>

10.557 SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN
(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Agriculture
N.C. Department of Public Instruction
For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>Furthermore, the Department notes two observations regarding the auditors' findings. First, it appears that the auditors aggregated the test results of work performed by several CPA firms who were contracted individually to evaluate the compliance and control environments within all county-operated programs across the state but failed to take into consideration the disparate control environments within each county, as well as the disparate populations of the counties, which would have compelled the auditors to stratify their sample to be truly representative of the population. In addition, the auditors' assertion that the errors detected likely would result in questioned costs exceeding \$10,000 and could be significant for the program are not supported by the fact that no questioned costs identified and the error rate (0.4%) is well below the minimum threshold to justify the extrapolation of results.</p> <p>The Department continues to monitor the WIC program. Monitoring efforts have been enhanced through the implementation of the new system which ensures the accuracy of the counties' eligibility determination processes.</p> <p><i>Auditor Response:</i> The Department's assertion that the Office of the State Auditor (OSA) cannot draw the stated conclusions is incorrect. Specifically:</p> <p>The audit methodology used by the OSA and county Certified Public Accountants (CPAs) speaks to the disparate control environment and populations at each county. The CPAs, who were performing the county's annual audit of federal expenditures, perform audits of the eligibility function under agreement with the OSA. Samples and sample sizes for each county are based on a risk assessment, which takes into account the control environment.</p> <p>Further, the Department is confusing the criteria for reporting findings and questioned costs with the thresholds used by federal agencies to seek reimbursement or other sanctions. The federal requirement for reporting questioned costs is based on the effect of the errors found as a result of tests performed on the population. If the errors detected are \$10,000 or more or indicate errors of \$10,000 or more exist in the population, the errors are required to be reported. The evidence obtained through the tests performed provided sufficient evidence that known or likely errors of \$10,000 or more existed in the population.</p> <p>Findings and questioned costs, as reported by auditors, are used by the federal agencies to determine whether to pursue the magnitude of the errors. Once the federal agency decides to perform their own audit/investigation, different thresholds are used than those required by auditors performing OMB Circular A-133 Single Audits.</p>

10.558 CHILD AND ADULT CARE FOOD PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-004	Subrecipient <u>Monitoring:</u> Significant Deficiency	<p data-bbox="519 546 925 588"><u>Facilities Not Properly Monitored</u></p> <p data-bbox="519 609 1481 714">The Department did not monitor for noncompliance at 10 of the 763 (1.3%) facilities within three years as required. The program provides healthy meals and snacks to children and adults receiving day care.</p> <p data-bbox="519 735 1481 808">These facilities received approximately \$88 million during state fiscal year 2014. The 10 facilities not monitored received approximately \$586,000.</p> <p data-bbox="519 829 1481 903">Undetected or uncorrected noncompliance with federal guidelines could result in excess spending and increase the overall cost of the program.</p> <p data-bbox="519 924 1481 1081">The database used to generate annual monitoring schedules does not interface with the facility reimbursement system. Therefore, database updates require manual entries when facilities join or leave the program. The Department did not compare the database to the reimbursement system to ensure all facilities were included.</p> <p data-bbox="519 1102 1481 1207">In accordance with 7 CFR 226, "Independent centers and sponsoring organizations of 1 to 100 facilities must be reviewed at least once every three years."</p> <p data-bbox="519 1228 1481 1333"><i>Federal Award Information:</i> This finding affects the Child and Adult Care Food Program federal grant awards 13125NC300N2020 and 141235NC300N2020 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p data-bbox="519 1354 1481 1459"><i>Recommendation:</i> The Department should enhance controls over its scheduling database to ensure all facilities are monitored at least once every three years.</p> <p data-bbox="519 1480 1481 1638"><i>Agency Response:</i> The Department has developed procedures to ensure all facilities are monitored for noncompliance at least once every three years. The Department will compare the database to the reimbursement system to ensure all facilities are included for monitoring purposes. The anticipated completion date is March 31, 2015.</p>

10.561 STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

III. Federal Award Findings and Questioned Costs

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-005	<u>Reporting:</u> Significant Deficiency	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>The Department filed one Federal Funding Accountability and Transparency Act (FFATA) report three months late. The report contained 100 subawards totaling \$84.4 million.</p> <p>As a result, the federal awarding agency and the public did not have timely and accurate notification of subawards issued by the Department. The Federal Funding Accountability and Transparency Act was enacted to inform citizens about how federal funds were spent in their communities.</p> <p>While there were initial problems with the federal filing system, once the problems were fixed the Department should have been able to submit the majority of the subawards on time. The FFATA requires states to report any subawards issued for more than \$25,000 in the federal reporting system by the end of the month following the month when the subaward is issued.</p> <p>Similar aspects of this finding were reported in the prior year.</p> <p><i>Federal Award Information:</i> This finding affects the State Administrative Matching Grants for the Supplemental Nutrition Assistance Program federal grant award 14145NC406S2514 for the federal fiscal year ended September 30, 2014.</p> <p><i>Recommendation:</i> The Department should develop and implement procedures to ensure that FFATA reports are prepared accurately and submitted timely.</p> <p><i>Agency Response:</i> The Department has implemented procedures and provided training to ensure that all subawards and contracts subject to the Federal Funding Accountability and Transparency Act (FFATA) are prepared accurately and submitted timely in accordance with federal guidelines.</p> <p>In addition, subsequent notification of the completion of the FFATA reports, including amendments, will be submitted by divisions each month to the Department's Office of the Controller for monitoring purposes. The anticipated completion date is June 30, 2015.</p>

10.561 STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Agriculture

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-006	Subrecipient Monitoring: Significant Deficiency	<p><u>Counties Not Properly Monitored</u></p> <p>Auditors tested eight of 38 county monitoring reports and identified two (25%) that did not include participant eligibility determinations. Also, the Department did not request corrective action on deficiencies identified for lack of trafficking procedures at three of the eight (38%) counties. Trafficking of benefits is the buying or selling of food stamps. The Department relies on all 100 counties for participant eligibility determinations, which are to be monitored on a three-year cycle.</p> <p>In addition, two of 100 (2%) counties were not monitored over a three-year period.</p> <p>As a result, funds could be paid to ineligible participants increasing the overall costs of the program.</p> <p>The federal awarding agency threatened to eliminate administrative funding due to a backlog of applications that needed to be entered into the new eligibility system (NC FAST). According to the Department, management made a decision to temporarily relocate program monitor positions to assist in processing applications.</p> <p>Federal regulation 2 CFR 200 requires pass-through entities to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements.</p> <p><i>Federal Award Information:</i> This finding affects the State Administrative Matching Grants for the Supplemental Nutrition Assistance Program federal grant awards 13135NC406S2514 and 14145NC406S2514 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendation:</i> The Department should monitor participant eligibility determinations and trafficking procedures at all 100 counties over a three-year period.</p> <p><i>Agency Response:</i> The backlog of applications that needed to be entered in the new eligibility system (NC FAST) was a result of implementation of the Affordable Care Act, increased SNAP and Medicaid caseloads, county departments of social services staffing levels, and transitioning from the old legacy SNAP system to the new eligibility system. In order to ensure the timely</p>

10.561 STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Agriculture
N.C. Department of Health and Human Services
For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>provision of SNAP benefits, the Department temporarily reallocated program monitor positions to assist in entering SNAP applications. As a result, the backlog was eliminated in March 2014 as directed by the USDA.</p>
	<p>The Department developed a schedule to ensure that all required monitoring visits will be completed by September 30, 2015. The Department will focus on county monitoring efforts related to participant eligibility determination and corrective actions noted for trafficking deficiencies. The two counties not previously monitored will be reviewed in April 2015.</p>

14.228 COMMUNITY DEVELOPMENT BLOCK GRANTS / STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII

III. Federal Award Findings and Questioned Costs

U.S. Department of Housing and Urban Development

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-007	<u>Reporting:</u> Material Weakness Material Noncompliance	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>The Department of Commerce's Rural Development Division did not report Community Development Block Grant subaward obligations exceeding \$25,000 within the time period established by the Federal Funding Accountability and Transparency Act (FFATA).</p> <p>The Division made 24 subaward obligations totaling \$14.2 million during the audit period. Nine subawards totaling \$4.8 million were reported in the FFATA Subaward Reporting System (FSRS) between one and four months after the required date.</p> <p>As a result, the federal awarding agency and the public did not have timely notification of subawards issued by the Department. The Federal Funding Accountability and Transparency Act was enacted to show citizens how federal funds are spent in their communities.</p> <p>The Division had entered the nine subawards, but did not complete the submission process in the federal reporting system until December 2013 and January 2014 which resulted in the subawards being reported after the required due date.</p> <p>The Federal Funding Accountability and Transparency Act requires states to report any subawards issued for more than \$25,000 in the federal reporting system by the end of the month following the month the subaward is issued.</p> <p><i>Federal Award Information:</i> This finding affects CFDA 14.228 Community Development Block Grant awards B-13-DC-37-0001 awarded July 30, 2013 and B-12-DC-37-0001 awarded April 4, 2012.</p> <p><i>Recommendation:</i> The Division should have procedures in place to ensure that subaward obligations are reported timely.</p> <p><i>Agency Response:</i> The Finance Section of the State CDBG program is tasked with data entry for the FFATA compliance requirement. For all future awards, staff will insure that FFATA records are entered in a timely manner and will record the date entered into the FSRS system thereby creating a record of compliance.</p> <p>Anticipated Completion Date: March 12, 2015.</p>

17.225 UNEMPLOYMENT INSURANCE**III. Federal Award Findings and Questioned Costs**

U.S. Department of Labor

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-008	Special Tests and Provisions: Significant Deficiency	<p data-bbox="519 546 1481 619"><u>Documentation to Support Benefit Overpayment Investigations Was Not Maintained</u></p> <p data-bbox="519 651 1481 861">The Department of Commerce's Division of Employment Security did not maintain adequate documentation to support the decisions for some of the cases investigated for overpayment of unemployment claims. During the audit period, the Department investigated and closed 61,005 cases. From those investigations, the Department determined that overpayments of approximately \$50 million were made in 54,527 cases and no overpayments were made in 6,478 cases.</p> <p data-bbox="519 892 1481 987">In a sample of 100 case files representing closed investigations, 24 case files did not have the required documentation to support the investigation conclusion. Specifically, we noted the following:</p> <ul data-bbox="568 1018 1481 1575" style="list-style-type: none"> <li data-bbox="568 1018 1481 1113">• For 22 investigations, the original Wage Audit Notice could not be located to support the wage data recorded in the Benefit Audit Reporting and Tracking System (BARTS). <li data-bbox="568 1144 1481 1480">• For one investigation, no documentation was available because the Department had purged the documentation from the system and shredded any physical files that had been used in the investigation. The case was closed between October and December 2013 and documentation should not have been purged per Department policy. The Department could not provide an explanation for purging the files. Because overpayment collections are performed outside of the Benefit Integrity investigation section and an overpayment had been collected, it was evident that an investigation occurred. However, without documentation, auditors were unable to determine the appropriate overpayment was identified for collection. <li data-bbox="568 1512 1481 1575">• For one investigation, no wage data had been recorded in BARTS and the original Wage Audit Notices could not be located. <p data-bbox="519 1606 1481 1753">As a result, documentation in some cases could not be located to verify that the investigation was adequate and that the correct determination was reached. Additionally, the lack of documentation could impact the Department's ability to defend against a claimants appeal and collect the overpayment.</p> <p data-bbox="519 1785 1481 1852">The Benefit Integrity section, which is responsible for overpayment investigations, had staffing changes and a breakdown in management</p>

17.225 UNEMPLOYMENT INSURANCE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Labor

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>oversight that caused the corrective action plan from a similar prior year finding not to be fully implemented.</p> <p>The Division's internal procedures require that investigation case files include a Wage Audit Notice, which documents the earnings of the individual being investigated and is used to help determine if overpayments were made and the amount of the overpayment.</p> <p>Additionally, the Division's record retention and disposition policy requires that records subject to audit or those legally required for ongoing official proceedings must be retained until released from such audits or official proceedings. The investigation files and supporting documentation are subject to audit and are used as evidence in claimant appeals and legal proceedings for suspected fraud.</p> <p>Similar aspects of this finding were reported in the prior year.</p> <p><i>Federal Award Information:</i> This finding affects CFDA 17.225 Unemployment Insurance funding from the State and Federal Unemployment Trust Funds.</p> <p><i>Recommendations:</i> The Division should have procedures in place to ensure adherence to Division and State record retention policies and to ensure that adequate documentation is maintained to support the cases investigated for overpayment.</p> <p>The Division should implement procedures to ensure that documentation is sufficient and maintained to support the investigation results.</p> <p><i>Agency Response:</i> The Department of Commerce, Division of Employment Security (DES) is working to develop a tracking/reporting process that can be placed on the DES internal network, which will make review by internal and external auditors more accessible. Additionally, the use of new technologies, such as, Right Fax and Adobe Professional will allow UI Benefits Integrity staff to digitize case information. This will allow investigators to upload documents into the electronic folders created on the shared network, thus making cases easier to locate and more searchable.</p> <p>Anticipated Completion Date: 06/30/2015.</p>

17.258 WIA ADULT PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Labor

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-009	<u>Reporting:</u> Material Weakness Material Noncompliance	<p data-bbox="535 556 1380 588"><u>Subaward Obligations Were Not Reported Timely and Contained Errors</u></p> <p data-bbox="535 619 1461 766">The Department of Commerce’s Division of Workforce Solutions did not report Workforce Investment Act Cluster subaward obligations exceeding \$25,000 within the time period established by the Federal Funding Accountability and Transparency Act (FFATA). In addition, one subaward obligation was reported multiple times in the FFATA Subaward Reporting System (FSRS).</p> <p data-bbox="535 808 1461 924">The Division filed 12 FFATA reports that contained 68 subawards totaling \$52.8 million during the audit period. Nine of the 12 reports were filed late, of which 6 were filed between one and four months late. This resulted in 57 subawards totaling \$52 million being reported after the required date.</p> <p data-bbox="535 955 1461 1165">In addition, a subaward for \$200,000, awarded in June 2013 was initially reported in the September 2013 FFATA report, which was two months late. The same subaward was included in the reporting for the months of July, October, and December 2013, all of which were submitted in January 2014. In the FSRS, the duplicative reporting gives the appearance that the subrecipient received \$3,000,000 in subawards when it only received \$2.4 million.</p> <p data-bbox="535 1207 1461 1323">As a result, the federal awarding agency and the public did not have timely and accurate notification of subawards issued by the Department. The Federal Funding Accountability and Transparency Act was enacted to show citizens how federal funds are spent in their communities.</p> <p data-bbox="535 1354 1461 1449">The subawards were not reported timely due to the Division management placing a low priority on filing the reports. Additionally, reports were not being reviewed before submission to ensure accuracy of subawards reported.</p> <p data-bbox="535 1480 1461 1575">The Federal Funding Accountability and Transparency Act requires states to report any subawards issued for more than \$25,000 in the federal reporting system by the end of the month following the month the subaward is issued.</p> <p data-bbox="535 1606 1461 1753"><i>Federal Award Information:</i> This finding affects CFDA 17.258 WIA Adult Program, CFDA 17.259 WIA Youth Activities and CFDA 17.278 WIA Dislocated Workers awards AA-22947-12-55-A-37 for the award period of April 1, 2012 – June 30, 2015 and AA-24104-13-55-A-37 for the award period of April 1, 2013 – June 30, 2016.</p> <p data-bbox="535 1785 1461 1850"><i>Recommendations:</i> The Department should have procedures in place to ensure that FFATA reports are prepared accurately and submitted timely.</p>

17.258 WIA ADULT PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Labor

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-010 Subrecipient Monitoring: Significant Deficiency	<p>The Department should consider staffing resources to meet federal reporting requirements.</p> <p><i>Agency Response:</i> Finance staffing has been hired to bring unit to full staff. Current year reporting has been submitted timely and accurately. Monthly review for updates of equal or greater than \$25,000 per subrecipient has been initiated into controls to maintain accuracy.</p> <p>Anticipated Completion Date: March 9, 2015</p> <p><u>Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans</u></p> <p>The Department of Commerce's Division of Workforce Solutions did not have procedures to verify the receipt of subrecipients' corrective action plans that ensure subrecipients are taking steps to address deficiencies identified during on-site monitoring visits. There were 23 subrecipients that received \$69 million in Workforce Investment Act Cluster (WIAC) funds during the audit period.</p> <p>Eleven subrecipients, receiving approximately \$32 million in WIAC funds, failed to submit a written corrective action plan by the required date and no additional follow-up procedures were performed by the Division to obtain the action plan.</p> <p>As a result, noncompliance and/or other procedural issues could go uncorrected at the subrecipient level. Examples of site visit deficiencies include:</p> <ul style="list-style-type: none"> • Incomplete or missing documentation in program recipient eligibility files • Errors in participant data maintained in the statewide participant database • Outdated, missing or incomplete policies and procedures • Improper makeup of workforce development board membership <p>The Division has a site-visit schedule that includes the dates for the visits and issuance of the subrecipient's summary report. However, the Division failed to include the tracking of when corrective action plans are due, received and</p>

17.258 WIA ADULT PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Labor

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>reviewed to ensure subrecipients have a plan for timely action to address deficiencies identified during site-visits.</p> <p>The Department must conduct an annual on-site monitoring visit to ensure each subrecipients' compliance with the U. S. Department of Labor's uniform administration requirements as required by Workforce Investment Act Section 184(a)(4). At the conclusion of the on-site monitoring visit each subrecipient receives an Oversight Summary Report which informs them of the results of the site-visit and requires them to respond to any findings with a written plan of action within a standard of 14 business days.</p> <p><i>Federal Award Information:</i> This finding affects CFDA 17.258 WIA Adult Program, CFDA 17.259 WIA Youth Activities and CFDA 17.278 WIA Dislocated Workers awards AA-21407-11-55-A-37 for the period of April 1, 2010 – June 30, 2014; AA-22947-12-55-A-37 for the award period of April 1, 2012 – June 30, 2015 and AA-24104-13-55-A-37 for the award period of April 1, 2013 – June 30, 2016.</p> <p><i>Recommendations:</i> The Department should implement procedures to ensure the receipt of the subrecipients' corrective action plans regarding issues identified during the on-site monitoring visit.</p> <p>The Department should follow-up when corrective action plans are not received to ensure that subrecipients have a plan for timely corrective action.</p> <p><i>Agency Response:</i> Division staff use a tracking form that contains information on site visits to all sub-recipients. This form also includes a column for the due date of the response to any findings or recommendations, as well as, a column for the date the response was received. While staff do follow-up on late responses, usually by phone or e-mail, that follow-up information is not always documented in the monitoring file.</p> <p>Staff will continue to use the tracking form to monitor response due dates and will be more conscientious about documenting in the monitoring file any follow-up on late monitoring responses from the sub-recipients during the monitoring cycle for Program Year 2014..</p> <p>Anticipated Completion Date: March 9, 2015</p>

17.259 WIA YOUTH ACTIVITIES**III. Federal Award Findings and Questioned Costs**

U.S. Department of Labor

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-011	<u>Reporting:</u> Material Weakness Material Noncompliance	<u>Subaward Obligations Were Not Reported Timely and Contained Errors</u> The Department of Commerce's Division of Workforce Solutions did not report Workforce Investment Act Cluster subaward obligations exceeding \$25,000 within the time period established by the Federal Funding Accountability and Transparency Act (FFATA). In addition, one subaward obligation was reported multiple times in the FFATA Subaward Reporting System (FSRS). See finding 2014-009 for a description.
2014-012	<u>Subrecipient Monitoring:</u> Significant Deficiency	<u>Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans</u> The Department of Commerce's Division of Workforce Solutions did not have procedures to verify the receipt of subrecipients' corrective action plans that ensure subrecipients are taking steps to address deficiencies identified during on-site monitoring visits. There were 23 subrecipients that received \$69 million in Workforce Investment Act Cluster (WIAC) funds during the audit period. See finding 2014-010 for a description.

17.278 WIA DISLOCATED WORKERS FORMULA GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Labor

N.C. Department of Commerce

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-013	<u>Reporting:</u> Material Weakness Material Noncompliance	<u>Subaward Obligations Were Not Reported Timely and Contained Errors</u> The Department of Commerce's Division of Workforce Solutions did not report Workforce Investment Act Cluster subaward obligations exceeding \$25,000 within the time period established by the Federal Funding Accountability and Transparency Act (FFATA). In addition, one subaward obligation was reported multiple times in the FFATA Subaward Reporting System (FSRS). See finding 2014-009 for a description.
2014-014	<u>Subrecipient Monitoring:</u> Significant Deficiency	<u>Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans</u> The Department of Commerce's Division of Workforce Solutions did not have procedures to verify the receipt of subrecipients' corrective action plans that ensure subrecipients are taking steps to address deficiencies identified during on-site monitoring visits. There were 23 subrecipients that received \$69 million in Workforce Investment Act Cluster (WIAC) funds during the audit period. See finding 2014-010 for a description.

20.205 HIGHWAY PLANNING AND CONSTRUCTION**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

N.C. Department of Transportation

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-015	<u>Davis Bacon:</u> Significant Deficiency	<p data-bbox="537 562 1468 621"><u>Controls Were Not Operating Effectively to Ensure Payment of Minimum Pay Rates</u></p> <p data-bbox="537 657 1468 957">The Department's process to ensure that minimum federal pay rates are paid to workers on projects funded by the Highway Planning and Construction cluster grant was not followed. The Department and federal law requires contractors and subcontractors that work on construction contracts in excess of \$2,000 submit to the Department a certified payroll for each week in which any contract work is performed. The Department's process requires the preparation of an internal report (FAP-1) to indicate the payrolls that should be received and requires the resident engineer to sign the FAP-1 to indicate his receipt and review of all payrolls. Department personnel review the wages for compliance.</p> <p data-bbox="537 993 1468 1079">Our test of 44 construction expenditures and their related project files out of 3,342 construction expenditures during our audit period revealed the following deficiencies:</p> <ul data-bbox="586 1115 1468 1398" style="list-style-type: none"> <li data-bbox="586 1115 1468 1209">• There were two instances where the FAP-1 reports were not complete. The reports did not include all contractors and subcontractors that worked on the project during the test week. <li data-bbox="586 1245 1468 1304">• There were two instances where the FAP-1 reports included contractors that had not worked on the project during the test week. <li data-bbox="586 1339 1468 1398">• There were four FAP-1 reports that were not signed by the Resident Engineer to indicate review. <p data-bbox="537 1434 1468 1577">As a result, there is an increased risk that the Department did not ensure that laborers working on projects funded by federal funds are being paid at the federally required minimum rate. Although the process to verify receipt and review of certified payrolls was not in place, we did not find any errors in our test.</p> <p data-bbox="537 1612 1468 1824">Federal regulation 29 CFR Section 5.5 requires that contractors and subcontractors that work on construction contracts in excess of \$2,000 submit the awarding agency (the Department) a certified payroll for each week in which any contract work is performed. The Department is required to review the payrolls to ensure all laborers and mechanics are paid wages not less than those established by the U.S. Department of Labor for the locality of the project.</p>

20.205 HIGHWAY PLANNING AND CONSTRUCTION (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Transportation

N.C. Department of Transportation

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Federal Award Information:</i> CFDA 20.205 Highway Planning and Construction Cluster 2014.</p> <p><i>Recommendation:</i> The Department should ensure staff properly completes required weekly reports and executes the Department's designed procedures to ensure payment of required wages.</p> <p><i>Agency Response:</i> Section 107-22 of the Construction Manual will be reviewed to determine if clarifications in the processes are needed or if form FAP-1 needs to be revised or automated to better facilitate data entry.</p> <p>The audit findings will be highlighted at four regional Construction Engineers' Workshops to be held in March and April 2015. In addition, for the offices where the audit findings occurred, the specific findings will be reviewed with the Resident Engineer and the office staff responsible for reviewing Davis-Bacon payroll data. Existing procedures will be reviewed to make sure they understand the procedures.</p> <p>Internal reviews will take place for all offices administering Federal projects to make sure the responsible staff understands the processes that need to be followed. Follow up visits will be made where issues are identified.</p> <p><i>Completion Date:</i> The first two items in above corrective action plan will be completed by April 30, 2015. Follow up reviews, if needed, will be completed by June 30, 2015.</p>
<p>2014-016</p> <p>Special Tests and Provisions:</p> <p>Material Weakness</p> <p>Material Noncompliance</p>	<p><u>Quality Assurance Testing Standards Not Met</u></p> <p>The Department did not have controls in place to ensure consistent performance of the required minimum tests of asphalt and concrete quality used in highways and other construction projects that were funded by the Highway Planning and Construction cluster grant.</p> <p>As a result, the Department failed to determine that materials used in federally funded highway projects met minimum safety and durability requirements.</p> <p>We reviewed the quality assurance testing that was performed on 60 asphalt formulas and 30 projects that used concrete.</p>

20.205 HIGHWAY PLANNING AND CONSTRUCTION (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

N.C. Department of Transportation

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>In our test of 60 out of 657 asphalt formulas¹ used for road paving on federally funded projects, we noted the following errors:</p> <ul style="list-style-type: none"> • 19 out of 60 (32%) asphalt formulas did not receive sufficient asphalt mix testing. The vendor producing the asphalt mix and the Department perform separate tests on the mix to verify the quality of the product. The vendor performed sufficient tests, but the Department did not perform the minimum tests required per the Department's federally approved Minimum Sampling Guide. • 22 out of 60 (37%) asphalt formulas did not receive sufficient roadway density testing. The contractor laying the asphalt pavement and the Department perform separate density tests on the asphalt. Neither the contractor nor the Department performed the minimum tests required per the Department's federally approved Minimum Sampling Guide. <p>In our test of 30 out of 432 contracts where concrete was used, we noted the following errors:</p> <ul style="list-style-type: none"> • 14 out of 30 (47%) contracts did not receive sufficient independent assurance tests for the period of July 1, 2013 through December 31, 2013. <p>The Department did not have adequate controls in place to ensure the required minimum amount of tests was performed for asphalt and concrete. The Department had controls to monitor the rate at which asphalt tests were performed but did not consistently perform corrective measures when testing levels were insufficient. During the first half of the year, no controls were in place to ensure that sufficient testing was performed on concrete since the Department indicated they focused their resources on implementing the new "system basis" testing.</p> <p>The Department's quality assurance program for concrete requires that acceptance tests and independent assurance tests be conducted at specified intervals for all concrete used on a project. Independent assurance tests are required to ensure that acceptance sampling is performed correctly and that the testing equipment is operating effectively.</p> <p>In response to prior audit findings and with federal agency approval, the Department changed its procedures for testing concrete effective</p>

¹ The number of asphalt formulas was determined by combining the number of producers with the number of unique formulas used.

20.205 HIGHWAY PLANNING AND CONSTRUCTION (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

N.C. Department of Transportation

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>January 1, 2014 and no errors were found for testing performed during the period of January 1, 2014 through June 30, 2014. Under the new “system basis” testing, independent assurance tests are performed for each technician performing acceptance tests instead of testing each individual project. The “system basis” testing is a method approved by the federal agency and used by other states.</p> <p>A significant part of this finding was reported in 2013.</p> <p><i>Federal Award Information:</i> CFDA 20.205 Highway Planning and Construction Cluster 2014. This finding affects funds administered under the American Recovery and Reinvestment Act.</p> <p><i>Recommendation:</i> The Department should implement controls to ensure that sufficient tests are performed on asphalt. Effective January 1, 2014, the deficiency related to concrete testing was corrected.</p> <p><i>Agency Response:</i> Corrective Action Plan (Asphalt Mix and Density Testing and Independent Assurance Testing for Concrete): We have reviewed the results of the Audit and are in agreement with the findings. The following are the corrective actions that will be implemented for each of the three separate items:</p> <p>Asphalt Mix QA and V Testing:</p> <p>As of February 28, 2015 all QA Asphalt Labs that formerly reported to NCDOT’s 14 Divisions now report to the Materials and Tests Unit. The 14 QA Supervisors that are responsible for the day-to-day operations now directly report to the State Asphalt Materials Engineer. The State Asphalt Materials Engineer will develop a HiCAMS (Construction & Materials Database) query similar to what was used by the State Auditor’s Office to track the sampling and testing performed by the QA. The QA Supervisors will have access to this query and will perform the query quarterly to assess whether their sample and test frequency requirements for asphalt mix are being met. Each QA Supervisor will report the findings of the query to the State Asphalt Materials Engineer copying the State Materials Engineer and use the query results to ensure that they meet the minimum frequency established for each asphalt formula they are responsible for. A meeting has been scheduled for March 24, 2015 to discuss this process with representatives from each of the 14 QA laboratories. They will be instructed to begin the quarterly review process starting April 1, 2015. Additionally, the language in the QMS Asphalt Manual, which provides requirements related to sampling and testing of</p>

20.205 HIGHWAY PLANNING AND CONSTRUCTION (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

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For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>Asphalt, will be reviewed and discussed to clarify the sampling and testing requirements.</p> <p>Asphalt Roadway Density QC, QA and V Testing:</p> <p>The responsibility for insuring the appropriate amount of density testing is performed lies with Division personnel. Research of the Audit data will be performed to determine the details of findings for each specific contract reviewed. The information from this research will be reviewed with the Division personnel responsible for accomplishing these duties in order to provide education on proper processes and documentation to ensure that minimum sampling and testing are met. Additionally, the results of the audit will be shared with representatives from each Resident Engineer's office via four regional training workshops beginning on March 9, 2015 and ending on April 1, 2015.</p> <p>A formal memorandum to Division Engineers and appropriate staff detailing the audit findings and corrective actions will be sent by April 15, 2015.</p> <p>A similar HiCAMS query to the process noted above will also be developed to establish a method for reviewing the density process. The query will be used to determine when the required frequencies for roadway densities are not being met. This will trigger a review by the Asphalt Pavement Specialists responsible for the area that a particular project is in to conduct an in depth review of sampling and testing data and documentation. The Resident Engineer will be notified of any deficiencies and immediate corrective actions will be required. This review process will be run quarterly for each project beginning April 15, 2015.</p> <p>Modifications will also be made to the M&T 605 (Asphalt Roadway Inspector's Daily Report) to ensure that the required information is clearly entered on the form. Additionally, the language in the QMS Asphalt Manual, which provides requirements related to sampling and testing of Asphalt, will be reviewed and discussed to clarify the sampling and testing requirements. This will be accomplished by May 1, 2015.</p> <p>Independent Assurance Testing for Concrete:</p> <p>As detailed in the finding, this was also a finding for fiscal year 2013. As such, corrective actions have already been implemented as of January 1, 2014. The corrective actions have been in place for over one year and the Department met its targets for calendar year 2014, which was to assess a minimum of 80 percent of all actively testing technicians. The finding for fiscal year 2014 also</p>

20.205 HIGHWAY PLANNING AND CONSTRUCTION (continued)**III. Federal Award Findings and Questioned Costs**

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For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
<p>notes that tests were performed on the implemented "system based" Independent Assurance process for the period of January 1, 2014 through June 30, 2014 and that no errors in the process were found. The Department will continue to operate under the new system and has controls in place to monitor the performance throughout the calendar year to ensure compliance.</p>	<p>Anticipated Completion Date: The corrective action implementation for Asphalt Mix will begin on March 24, 2015 and will be completed by May 1, 2015. The corrective action implementation for Asphalt Roadway Density will begin on March 9, 2015 and will be completed by May 1, 2015.</p>
<p>The corrective action implementation for Independent Assurance Testing for Concrete began prior to January 1, 2014 and was completed on January 1, 2014.</p>	

20.319 HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE – CAPITAL ASSISTANCE GRANTS

III. Federal Award Findings and Questioned Costs

U.S. Department of Transportation

N.C. Department of Transportation

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-017	<u>Davis Bacon:</u> Significant Deficiency	<p data-bbox="537 590 1468 653"><u>Controls Were Not Operating Effectively to Ensure Payment of Minimum Pay Rates</u></p> <p data-bbox="537 684 1468 989">The Department's process to ensure that minimum federal pay rates are paid to workers on federal projects funded by the High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants was not followed. The Department and federal law requires contractors and subcontractors that work on construction contracts in excess of \$2,000 submit to the Department a certified payroll for each week in which any contract work is performed. The Department's process requires the preparation of an internal report (FAP-1) to indicate the payrolls that should be received and requires the resident engineer to sign the FAP-1 to indicate his receipt and review of all payrolls. Department personnel review the wages for compliance.</p> <p data-bbox="537 1020 1468 1108">Our test of 37 construction expenditures and their related project files out of 181 construction expenditures during our audit period revealed the following deficiencies:</p> <ul data-bbox="586 1146 1468 1331" style="list-style-type: none"> <li data-bbox="586 1146 1468 1241">• There were three instances where the FAP-1 reports were not complete. The reports did not include all contractors and subcontractors that worked on the project during the test week. <li data-bbox="586 1272 1468 1331">• There was one instance where the certified payroll reports were not received for the test week. <p data-bbox="537 1367 1468 1430">As a result, the Department did not ensure that laborers working on projects funded by federal funds are being paid at the federally required minimum rate.</p> <p data-bbox="537 1461 1468 1671">Federal regulation 29 CFR section 5.5 requires that contractors and subcontractors that work on construction contracts in excess of \$2,000 submit to the awarding agency (the Department) a certified payroll for each week in which any contract work is performed. The Department is required to review the payrolls to ensure all laborers and mechanics are paid wages not less than those established by the U.S. Department of Labor for the locality of the project.</p> <p data-bbox="537 1703 992 1734">This finding was also reported in 2013.</p> <p data-bbox="537 1766 1468 1854"><i>Federal Award Information:</i> This finding affects funds administered under the American Recovery and Reinvestment Act award FR-HSR-0006-10-01 for the award period of May 24, 2010 – September 30, 2017.</p>

20.319 HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE – CAPITAL ASSISTANCE GRANTS (continued)

III. Federal Award Findings and Questioned Costs

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Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Recommendation:</i> The Department should ensure staff properly completes required weekly reports and executes the Department’s designed procedures to ensure payment of required wages.</p> <p><i>Agency Response:</i> The identified deficiencies included:</p> <p>FAP-1 Form Errors – The standard construction manual procedure for insuring payment of minimum pay rates includes a standard form called the FAP-1. An FAP-1 is completed to record the active/inactive contractor and subcontractor. The audit found three (3) of the FAP-1 forms were filled out incorrectly by not including all active contractors for which certified payrolls were received.</p> <p>Missing Certified Payroll - There was one (1) instance where FAP-1 and the associated diary were correct but the certified payroll was missing.</p> <p>Corrective Action Plan: The Division of Highways is managing the construction contracts for the Department let portion of ARRA Track and Structure projects (the focus of the minimum pay rate audit for SFY2014). The Rail Division will coordinate with the State Construction Engineer on the following corrective action plan:</p> <ol style="list-style-type: none"> 1. The Construction Unit will review existing Department Construction Manual Davis-Bacon procedures, assure appropriate Department staff are properly trained, serve as a resource for administration of Davis-Bacon requirements, and conduct internal Davis-Bacon audits with the Area Engineers. 2. Rail Division F&C Manager will provide details of the corrective actions taken by the Department staff to the Rail Director including any procedural revisions, proof of training for Department staff, and annual audit reports. These items will be provided to the F&C Manager by the Construction Unit. <p>Anticipated Completion Date: June 1, 2015</p>
2014-018	<p><u>Reporting:</u> <u>Federal Report Contained Errors</u></p> <p>Material Weakness Material Noncompliance</p> <p>The Department of Transportation (Department) did not submit accurate quarterly financial reports for the High Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grant to the Federal Rails Administration.</p>

20.319 HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE – CAPITAL ASSISTANCE GRANTS (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Transportation

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For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>The report for the quarter ending June 30, 2014, contained the following errors:</p> <ul style="list-style-type: none"> • \$15.3 million (11.5% error) in overstated cumulative cash receipts reported on line 10(a) of the SF-425 for the quarter ended June 2014. The Department reported \$148.7 million but should have reported \$133.4 million in federal cash receipts. • \$441,125 (0.3% error) in overstated cumulative cash disbursements and cumulative federal share of expenditures reported on lines 10(b) and 10(e) of the SF-425 for the quarter ended June 2014. The Department reported \$159.3 million but should have reported \$158.9 million in federal cash disbursements and expenditures. <p>Inaccurate reports can prevent the Federal Rails Administration from tracking the financial progress of the rails grant and ensuring that there are adequate funds to complete the project. Additionally, there is a risk that Federal Rails Administration may move funding from this grant to another grant if the reports do not reflect the accurate use of funds. Because this project is funded with American Recovery and Reinvestment Act (ARRA) funds which will end, the Federal Rails Administration could move funds to another project to ensure that all ARRA funds are used.</p> <p>Errors in the report occurred because the accounting system report that the preparer (a consulting firm) used was not filtered properly to account for the correct cash receipts and expenditures. The reported cumulative receipts included funds received in July 2014 which were outside the reporting period and should not have been included. Also, the preparer did not maintain copies of the supporting documents used to determine the amount of cash receipts reported for the first three quarterly reports.</p> <p>Federal regulations and the grant award document require the Department to submit the quarterly SF-425 Federal Financial Report to the Federal Rail Administration. The report should include all activity of the reporting period and be supported by applicable accounting records to ensure accuracy.</p> <p>This finding was also reported in 2013.</p> <p><i>Federal Award Information:</i> This finding affects funds administered under the American Recovery and Reinvestment Act award FR-HSR-0006-10-01 for the award period of May 24, 2010 – September 30, 2017.</p>

20.319 HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE – CAPITAL ASSISTANCE GRANTS (continued)

III. Federal Award Findings and Questioned Costs

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Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Recommendation:</i> The Department should establish policies and procedures, such as adequate supervisory reviews, to ensure that the preparer uses the proper accounting system reports when preparing the quarterly reports.</p> <p><i>Agency Response:</i> The Rail Division Finance & Contracts (F&C) Manager will review and seek input from the Department's Financial Management Division to ensure an optimal approach for financial reporting and the creation of the SF-425 to include:</p> <ol style="list-style-type: none"> 1. Use of SAP report (FBL3N) as provided this year by the auditors for checking cash receipts. 2. Methods to maintain copies of all supporting documents (screen shots) used when compiling the cash receipts and expenditures reported on SF-425. 3. Update variants in SAP to remove specific cost elements (retainage and assets) from reporting tool to ensure these are not included in future expenditure reports. 4. All SF-425 forms submitted for SFY 2014 and SFY 2015 will be reviewed and revised to reflect necessary changes to satisfy the findings from the SFY 2014 Single Audit. Corrected SF-425 forms will be coordinated with and issued to John Winkle, FRA Grant Manager for approval. 5. Rail Division F&C Manager and Business Officer will conduct quarterly reviews with the contract program coordinator on the preparation of the SF-425 report and provide proof to the Rail Director that the proper accounting system reports are being used when preparing the quarterly reports.

Anticipated Completion Date: June 1, 2015

20.509 FORMULA GRANTS FOR RURAL AREAS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

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	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-019	<u>Reporting:</u> Material Weakness Material Noncompliance	<u>Subaward Obligations Were Not Reported</u> The Department did not submit subaward obligations exceeding \$25,000 within the time period established by the Federal Funding Accountability and Transparency Act (FFATA). The Department awarded 38 recipients \$7,046,031 in subawards during November 2013. This 2014 grant award information should have been entered in the federal reporting system by December 31, 2013. As of January 21, 2015, this information has not been entered into the federal reporting system. As a result, the federal awarding agency and the public did not have timely notification of subawards that were issued by the Department. The Federal Funding Accountability and Transparency Act was enacted to show citizens how federal funds are spent in their communities. At the time of these subawards, according to Department personnel, they were unaware of the reporting requirement. The Federal Funding Accountability and Transparency Act requires states to report any subawards issued that are more than \$25,000 in the federal reporting system by the end of the month following when the subaward is issued. <i>Federal Award Information:</i> This finding affects the Formula Grants for Rural Areas award NC-18-X037-00 for award period July 1, 2013 – September 30, 2014. <i>Recommendation:</i> We recommend that the Department establish procedures to ensure required reports are submitted timely. <i>Agency Response:</i> The Public Transportation Division (PTD) has created a master table of all subrecipient required data and enters the information into FFATA (Federal Funding Accountability and Transparency Act) 30 days after notification of grant award from FTA. Corrective Action Was Completed On: January 5, 2015
2014-020	<u>Reporting:</u> Material Weakness	<u>Subrecipient Data in Federal Reports Not Reviewed</u> The Department of Transportation did not have a process in place to ensure the subrecipient data in the Formula Grants for Rural Areas' annual financial

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

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For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>and operating reports submitted to the Federal Transit Administration was complete and accurate. The Department contracted with an external vendor to prepare the annual report using data supplied by subrecipients. The Department did not review the data supplied by the subrecipients for reasonableness and it did not review the vendor-prepared report for completeness and accuracy prior to submitting it to the federal agency.</p> <p>As a result, information on financial and performance data totaling \$14,603,112 for 55 subrecipients was not reviewed for accuracy and completeness and there was an increased risk that the information submitted contained errors that were not detected and corrected by the Department.</p> <p>In addition, our tests revealed one subrecipient's data was excluded from the reporting. This subrecipient received \$437,405. We agreed the vendor-prepared report to subrecipient supplied data but we did not verify the accuracy of the subrecipient data because the underlying support resides at the subrecipient.</p> <p>The federal reporting manual for the Rural Areas grant requires an annual reporting of financial and performance information. The state agency administering the grant is responsible for collecting data from all subrecipients and submitting the report. Federal administrative regulations also require recipients of federal awards to ensure federal reports include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements.</p> <p>This finding was also reported in 2013.</p> <p><i>Federal Award Information:</i> This finding affects the Formula Grants for Rural Areas awards NC-18-X026-00 award period July 1, 2006 – December 31, 2007; NC-18-X028-00 award period July 1, 2008 – December 31, 2009; NC-18-X030-00 award period July 1, 2009 – December 31, 2010; NC-18-X030-01 award period July 1, 2010 – December 31, 2011; NC-18-X032-00 award period July 1, 2009 – December 31, 2010; NC-18-X034-00 award period July 1, 2010 – December 31, 2012; NC-18-X034-01 award period July 1, 2011 – December 31, 2012; NC-18-X034-02 award period November 1, 2011 – June 30, 2013. The finding also affects funds administered under American Recovery and Reinvestment Act awards NC-86-X001-00 for the award period February 1, 2009 – December 31, 2012 and NC-86-X001-01 for the award period of October 9, 2009 – August 30, 2013.</p>

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

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For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Recommendation:</i> The Department should establish procedures to ensure the accuracy and completeness of the annual financial and operating reports. The subrecipient data supplied for the report should be monitored for accuracy and, prior to submission, the report should be reviewed for completeness.</p> <p><i>Agency Response:</i> The Public Transportation Division implemented procedures in FY 15 to validate data:</p> <ul style="list-style-type: none"> • Created and maintaining master spreadsheet that shows funds received by subrecipient • Requiring all subrecipients to have scheduling / billing software by June 30, 2015 • Requiring documentation of trips carried from the software with quarter and annual operating statistics (OPSTATS) submissions. • OPSTATS Annual report is signed by the subrecipients' authorized official and TAB Chairperson certifying the data's accuracy. In FY 15, we will be requiring June invoices no later than July 30, and once again test whether NCDOT SAP reports can match local audit numbers as well as adding a signature for the finance director. To date, this has not been possible. • Two weeks of total trip data is reported and tested for accuracy by our Mobility Development Specialists at one of their structured site visits. Top to bottom review of manifests, scheduling software and billing. • NTD's new web portal is only partially developed, so we are currently validating system and data totals for FY 14. When NTD can generate reports, we will be able to review more detailed data. Our procedure for FY 14 NTD reporting forward will be, prior to final submittal to NTD, the Public Transportation Division will: <ul style="list-style-type: none"> – match the master spreadsheet to subrecipients, – validate passengers, miles, and hours to what was reported on OPSTATS, – validate financial data to what is reported in OPSTATS.

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

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For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-021	<p>Completion Date: With FY 14 reporting and FY 15 site visits / oversight, all are complete but the last bullet. The last bullet will depend on when FTA's new NTD website is fully functional.</p>
Subrecipient Monitoring:	<p><u>Failure to Verify DUNS Number and Valid Local Match Prior to Award</u></p>
Material Weakness	<p>The Department did not have adequate procedures to ensure applications by subrecipients for the Formula Grants for Rural Areas program were complete and accurate. Specifically the Department did not ensure a valid Dun and Bradstreet Universal Numbering System (DUNS) number was included on all applications. This number is used by the federal government to identify entities receiving federal funds and to track the award and disbursement of federal grant money. Further, subrecipients are also required to identify the source of local matching funds when applicable to enable the Department to ensure the match is from an allowable source. The Department reimbursed subrecipients \$24.9 million under this grant.</p>
Material Noncompliance	<p>As a result, the Department approved applications which did not provide necessary information to allow the awarding agency to perform its duties and also failed to ensure that the local matches were from allowable funds.</p>
	<p>We reviewed all applications submitted for 18 of 88 subrecipients that received federal reimbursements during the year. These 18 subrecipients had a total of 65 project applications. Our tests revealed the following:</p>
	<ul style="list-style-type: none"> • Three subrecipients included an invalid DUNS number on eight of 10 applications. • Two subrecipients did not include a DUNS number on three of eight applications. • One subrecipient did not identify the source of its local match on one of three applications. • Two subrecipients identified sources, but the sources identified were not eligible to be used as match on three of six applications.
	<p>The Department did not consistently follow its identified procedures for validating the DUNS number submitted on the grant application. Further, discussions with some of the Department staff revealed they did not</p>

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)**III. Federal Award Findings and Questioned Costs**

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Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>understand what source of local share match was valid when approving the applications.</p> <p>Federal regulations require the awarding agency, for non-ARRA first tier subawards made on or after October 1, 2010, to have the subrecipient provide a valid DUNS number before issuing the subawards. In addition, federal regulations require the grantees to ensure that subrecipients use only eligible funds as local match.</p> <p><i>Federal Award Information:</i> NC-18-X032-00 award period July 1, 2009 – December 31, 2010; NC-18-X034-00 award period July 1, 2010 – December 31, 2012; NC-18-X034-01 award period July 1, 2011 – December 31, 2012; NC-18-X034-02 award period November 1, 2011 – June 30, 2013; NC-18-X034-03 award period July 8, 2010 – June 30, 2014; NC-18-X037-00 award period July 1, 2013 – September 30, 2014.</p> <p><i>Recommendations:</i> The Department should ensure that the DUNS number included on the application is valid before funds are awarded.</p> <p>The Department should also ensure that the local share match identified is from a valid source.</p> <p><i>Agency Response:</i> The Public Transportation Division has instructed staff as to eligible local matches.</p> <p>The Public Transportation Division's online grant program requires subrecipients to enter DUNS numbers with each application. PTD has documented all DUNS numbers in a master spreadsheet and has requested the Financial Management Division and IT to create a placeholder for the DUNS number to be captured in the vendor record, no longer requiring it to be entered with each grant application.</p> <p>Anticipated Completion Date: Valid Local Match completed January 5, 2015. DUNS anticipated completion date is April 8, 2015.</p>
2014-022 Subrecipient <u>Monitoring:</u> Material Weakness Material Noncompliance	<p><u>Subrecipient Monitoring Not Adequately Performed</u></p> <p>The Department of Transportation did not adequately monitor subrecipients of the Formula Grants for Rural Areas as required by federal regulations. This program provides funding to support public transportation in rural areas, generally bus or van services. Subrecipients expended \$24.9 million of the</p>

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

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Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>\$26.6 million (over 93%) in federal expenditures that were incurred for this grant during the year ended June 30, 2014.</p>
	<p>Specifically, the monitoring procedures were found inadequate because the Department did not perform the appropriate type of monitoring site visits and did not require all subrecipients to submit the documentation necessary to properly monitor expenditures. There were 88 subrecipients who submitted a total of 821 reimbursement claims. The monitoring deficiencies were:</p>
	<ul style="list-style-type: none"> • For 88 out of 88 (100%) of subrecipients, the Department did not perform site visits specifically designed to monitor subrecipient fiscal operations and compliance with grant requirements. In fact, the Department has not performed such site visits since state fiscal year 2010. • For 23 out of 72 (32%) cost reimbursement claims sampled, the Department approved the reimbursement claim without documentation to support the expenditures. The amount of federal funds reimbursed to these subrecipients was \$1,404,021.
	<p>As a result of inadequate subrecipient monitoring, there was an increased risk that the Department would not detect subrecipient noncompliance with federal requirements. Without performing fiscal and compliance monitoring site visits, the Department could not provide reasonable assurance that subrecipients complied with all federal requirements, such as equipment maintenance, charter service or bus service operation, and accurate performance and financial reporting. Furthermore, without supporting documentation, the Department could not provide reasonable assurance that expenditures were for allowable costs.</p>
	<p>According to discussions with Department staff, the Department did not perform adequate monitoring site visits because of a delay in implementing its plans. The Department planned to contract the on-site monitoring procedures with an outside party but delays in finalizing the contract caused a delay in those procedures being performed. The Department performed some on-site monitoring procedures such as attending subrecipients' quarterly meetings of the Transportation Advisory Board, conducting safety checks, evaluating the cleanliness of the environment and vehicles used in the program, and reviewing certain subrecipient policies. However, the on-site visits performed were not designed to ensure compliance with all federal regulations.</p>
	<p>The Department lacked the documentation necessary to properly monitor expenditures because of an inadequate policy. Prior to June 2014, the</p>

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)**III. Federal Award Findings and Questioned Costs**

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	<p>Department policy did not require subrecipients subject to an A-133 audit to provide supporting documentation for cost reimbursements. However, in response to our prior year finding related to this issue, the Department changed its policy so that all subrecipients are now required to provide detailed documentation to support cost reimbursement claims.</p> <p>Federal and Departmental guidance require adequate monitoring. Federal guidance requires the Department to monitor subgrantee supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Also, the Department's federally approved State Management Plan states that the Department will conduct on-site reviews of every subrecipient every three years to ensure compliance with federal and state regulations and agreements.</p> <p>This finding was reported in 2013 and also similar aspects of this finding were reported in 2011. This grant was not audited in 2012.</p> <p><i>Federal Award Information:</i> This finding affects the Formula Grants for Rural Areas awards NC-18-X026-00 award period July 1, 2006 – December 31, 2007; NC-18-X028-00 award period July 1, 2008 – December 31, 2009; NC-18-X030-00 award period July 1, 2009 – December 31, 2010; NC-18-X030-01 award period July 1, 2010 – December 31, 2011; NC-18-X032-00 award period July 1, 2009 – December 31, 2010; NC-18-X034-00 award period July 1, 2010 – December 31, 2012; NC-18-X034-01 award period July 1, 2011 – December 31, 2012; NC-18-X034-02 award period November 1, 2011 – June 30, 2013. The finding also affects funds administered under American Recovery and Reinvestment Act awards NC-86-X001-00 for the award period February 1, 2009 – December 31, 2012 and NC-86-X001-01 for the award period of October 9, 2009 – August 30, 2013.</p> <p><i>Recommendation:</i> The Department should perform monitoring procedures to ensure subrecipients administer federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. Management should ensure monitoring procedures comply with the Department's State Management Plan.</p> <p><i>Agency Response:</i> The Public Transportation Division has implemented the following changes since the FY13 audit:</p> <ul style="list-style-type: none"> All subrecipients, including their Financial Manager, were required to attend training in July 2014, prior to FY 14 grant release. Follow up financial and oversight expectations have been communicated.

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)

III. Federal Award Findings and Questioned Costs

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Type of Finding/ Questioned Costs	Findings and Recommendations
2014-023	<p data-bbox="310 1031 506 1087"><u>Special Tests and Provisions:</u></p> <p data-bbox="342 1104 456 1157">Material Weakness</p> <p data-bbox="342 1178 506 1230">Material Noncompliance</p> <p data-bbox="537 1031 1468 1094"><u>Subrecipient Charter Service Reports Submitted Late to the Federal Transit Authority</u></p> <p data-bbox="537 1125 1468 1276">The Department did not submit the required subrecipient Charter Service Quarterly Reports to the Federal Transit Authority (FTA) website as required by federal regulations. These reports are designed to publically disclose federally funded charter services provided to ensure subsidized charter services do not unfairly impact private charter businesses.</p> <p data-bbox="537 1314 1468 1524">Each quarter, subrecipients of the Formula Grants for Rural Areas program are required to submit reports to the Department detailing the charter services that were provided. The Department is then required to submit these quarterly reports within 30 days of the close of the quarter to the FTA. Five of the 75 subrecipients who are required to report their charter service activity submitted eight reports to the Department indicating that charter service had been provided. Our audit of the reports that were submitted to FTA disclosed:</p> <ul data-bbox="586 1562 1468 1837" style="list-style-type: none"> • Eight reports were from six to 19 months late. • Four of the eight reports submitted were submitted for the incorrect federal reporting period. • Also, as reported in another finding, the Department has not performed monitoring site visits since 2010. Without site visits, the Department can't verify the completeness and accuracy of the charter service activity reported on the Quarterly Charter Reports.

- Full documentation is submitted with each invoice, starting May 2014.
- A six year master timeline for oversight was developed and procurement of services completed. The timeline covers compliance oversight, Safety/Drug and Alcohol oversight and planning. These activities started in FY 15.
- Public Transportation Division staff are performing 2 structured site visits each year.
- A more structured review of grant requests was implemented for FY 16 grant review cycle.

Corrective Action Was Completed On: August 15, 2014

20.509 FORMULA GRANTS FOR RURAL AREAS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Transportation

N.C. Department of Transportation

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>According to discussions with agency personnel, the Department did not submit timely the Quarterly Charter Service reports because it was unaware of the requirement for the reports to be submitted to the FTA 30 days after the end of the calendar quarter.</p> <p><i>Federal Award Information:</i> This finding affects the Formula Grants for Rural Areas awards NC-18-X030-00 award period July 1, 2009 – December 31, 2010; NC-18-X032-00 award period July 1, 2009 – December 31, 2010; NC-18-X034-00 award period July 1, 2010 – December 31, 2012; NC-18-X034-01 award period July 1, 2011 – December 31, 2012; NC-18-X034-02 award period November 1, 2011 – June 30, 2013; NC-18-X034-03 award period July 8, 2010 – June 30, 2014; NC-18-X037-00 award period July 1, 2013 – September 30, 2014. The finding also affects funds administered under American Recovery and Reinvestment Act award NC-86-X001-00 for the award period February 1, 2009 – December 31, 2012.</p> <p><i>Recommendation:</i> The Department should ensure that all Charter Quarterly Reports are submitted timely and accurately to the Federal Transit Authority website.</p> <p><i>Agency Response:</i> The Public Transportation Division has created a plan to submit Charter Service Reports to the Federal Transit Authority (FTA) as outlined in the FTA guidelines. The procedures include: subrecipients submitting Charter Report Forms to Public Transportation Division, MDS reviewing Charter Report Forms and entering/dating reports on Charter Exception Tracking Form, Project Manager reviewing and uploading Charter Reports into the FTA TEAM process within 30 days of the end of each quarter</p> <p>Corrective Action Was Completed On: February 15, 2015</p>

66.468 CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS**III. Federal Award Findings and Questioned Costs**

U.S. Environmental Protection Agency

N.C. Department of Environment and Natural Resources

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-024	Subrecipient Monitoring: Significant Deficiency	<p data-bbox="519 546 1482 619"><u>Construction Project Inspections Were Not Monitored by Management to Ensure Timely Performance and Public Health is Protected</u></p> <p data-bbox="519 651 1482 924">The Department of Environment and Natural Resources does not have a system in place that monitored the inspection process to ensure that inspections are performed timely for drinking water construction projects. If projects are not inspected at each critical stage of construction, it may result in final projects that do not comply with design standards required to protect public drinking water from harmful contaminants. During fiscal year 2014, the Department paid \$23.3 million in federal funds for 50 drinking water construction projects and performed on-site inspections for 28 construction projects that received \$13.9 million in federal funds.</p> <p data-bbox="519 955 1482 1018">Management relies on the project engineers to perform on-site inspections as the engineers feel inspections are necessary. As such, management does not:</p> <ol data-bbox="568 1050 1482 1270" style="list-style-type: none"> 1. maintain a defined site inspection plan for the year to ensure necessary visits are scheduled, 2. monitor to ensure site inspections are performed at the appropriate stages in the construction project, and 3. have a supervisory review of site inspection documentation for quality. <p data-bbox="519 1302 1482 1365">The Department has a project closeout checklist that requires a final inspection prior to making final payment on the project.</p> <p data-bbox="519 1396 1482 1575">Currently the Department only has a Departmental memo that requires construction projects to be inspected at least near project completion to ensure the construction matches the approved plans. Also, the memo states that optional inspections may be conducted as considered necessary throughout the project, but does not define criteria or documentation for making the determination of other necessary inspections.</p> <p data-bbox="519 1606 1482 1701">OMB Circular A-133 requires the state to monitor the activities of subrecipients as necessary to ensure that Federal awards are used in compliance with provisions of contracts and that performance goals are achieved.</p> <p data-bbox="519 1732 1482 1881"><i>Federal Award Information:</i> This finding affects federal awards: FS-98433807 for the award period of July 1, 2008 – September 30, 2013; FS-98433808 for the award period of July 1, 2009 – September 13, 2014; FS-98433809 for the award period of July 1, 2010 – September 13, 2015; FS-98433810 for the award period of July 1, 2011 – September 30, 2016; FS-98433811 for the</p>

66.468 CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Environmental Protection Agency

N.C. Department of Environment and Natural Resources

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>award period July 1, 2012 – September 30, 2017; FS-98433812 for the award period of July 1, 2013 – September 30, 2018; and FS-98433813 for the award period of July 1, 2013 – September 30, 2018.</p> <p><i>Recommendations:</i> The Department should implement a detailed monitoring plan and tracking system to ensure that drinking water on-site inspections are being performed as required and necessary.</p> <p>Management should implement procedures to ensure site inspections are being completed in accordance with a prescribed plan and perform supervisory review of site inspection documentation.</p> <p><i>Agency Response:</i> Department agrees with the finding. The Department started developing a new construction management standard operating procedure to cover both the Drinking Water State Revolving Fund (DWSRF) program and the Clean Water State Revolving Fund (CWSRF) program in early February 2015. The new procedure will be largely based upon the practices currently used in the management of the CWSRF program (not cited for any findings), but will incorporate some aspects of the DWSRF program. The new procedure will include a mechanism to establish unique inspection plans based on project specific criteria. Supervisory and staff responsibilities will be clearly defined to ensure inspection plans are implemented appropriately.</p> <p>The Department is currently developing a new project database to cover all programs in the Division of Water Infrastructure. The new database will provide tracking of all major project milestones including construction inspections. Due to the scope of this project, there is no firm timeline for the completion of the database at this time. Therefore, in the interim, current databases will be modified to provide additional inspection tracking and reporting to management.</p> <p>The Department expects the draft standard operating procedure to be developed by the end of March and finalized in order to begin staff training by the end of April 2015.</p>

84.007 FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Chapel Hill
 For the Fiscal Year Ended June 30, 2014

2014-025	Type of Finding/ Questioned Costs	Findings and Recommendations
	Special Tests and Provisions: Material Weakness Material Noncompliance	<p data-bbox="537 562 1425 590"><u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u></p> <p data-bbox="537 625 1474 800">The University's undergraduate Satisfactory Academic Progress (SAP) policy does not meet the minimum elements required by Federal regulations. As a result, ineligible students could continue receiving assistance, potentially hindering other eligible students from receiving aid. For the fiscal year that ended June 30, 2014, approximately 12,813 students received \$194,741,088 in Title IV federal student financial aid.</p> <p data-bbox="537 842 1474 1052">SAP policies establish criteria to ensure that students continuing to receive assistance have a likelihood of success, to ensure limited funds are used prudently. Federal regulations (34 CFR 668.16(e)) state that institutions must establish, publish, and apply reasonable standards for measuring whether eligible students maintain satisfactory academic progress. The regulations (34 CFR 668.34) further define the specific required elements for an institution's policy to be reasonable.</p> <p data-bbox="537 1087 1338 1115">The following elements were omitted from the undergraduate policy:</p> <ul data-bbox="581 1150 1474 1577" style="list-style-type: none"> <li data-bbox="581 1150 1474 1325">• The University's undergraduate SAP policy does not specify the pace at which a student must progress through his/her educational program. Although the University's undergraduate policy requires a completion of a set number of hours at the end of each semester, the policy does not appropriately take into account all hours attempted by the student to determine the completion rate, as required. <li data-bbox="581 1367 1474 1451">• The University's undergraduate SAP policy does not describe how a student's GPA is affected by course incompletes, withdrawals, repetitions, or transfers of credit from other institutions. <li data-bbox="581 1493 1474 1577">• The University's undergraduate SAP policy does not provide for notifications to students of the results of an evaluation that impacts the student's eligibility for Title IV and HEA programs. <p data-bbox="537 1619 1474 1766"><i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014. CFDA 84.007 Federal Supplemental Educational Opportunity Grants (FSEOG); CFDA 84.033 Federal Work Study Program (FWS); CFDA 84.038 Federal Perkins Loans (FPL); CFDA 84.063 Federal Pell Grant Program (Pell); CFDA 84.268 Federal Direct Student Loans (Direct Loan)</p> <p data-bbox="537 1801 1474 1885"><i>Recommendation:</i> The University should revise its Satisfactory Academic Progress (SAP) policy to include all required elements as defined by the federal regulations.</p>

84.007 FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Chapel Hill
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Agency Response:</i> Throughout its history, the University has maintained a single policy to define academic progress for undergraduate students regardless of their receipt of financial aid. The Office of Scholarships and Student Aid recently became aware of limitations within this longstanding academic progress policy and its corresponding procedures, and took action to correct them in early spring 2014. The state audit encompassed the 2013-14 academic year. During the audit entrance interview in June 2014, the University affirmatively and voluntarily disclosed to the Office of the State Auditor that the University had concerns about its prior policy and procedures and that it was in the process of amending its policy and procedures to address the deficiencies that had been identified. The University has implemented a new satisfactory academic progress policy and procedure for purposes of the Title IV federal student financial aid programs, effective with the 2014-15 academic year. The new policy and procedure addresses the prior shortcomings. Furthermore, the new policy and procedure is based on guidance in the U.S. Department of Education's Federal Student Aid Handbook, is now administered by the Office of Scholarships and Student Aid, and is currently in effect for all recipients of need-based financial aid.</p> <p>Please refer to the new policy included on our website: http://studentaid.unc.edu/eligibility-for-aid/sap/.</p> <p>Anticipated Completion Date: Corrective action was completed August 18, 2014.</p>

84.007 FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
Winston-Salem State University

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-026	Special Tests and Provisions: Material Weakness Material Noncompliance	<p><u>Required Written Notifications Were Not Supplied to Students</u></p> <p>The University did not notify students of the amount of funds that the student or his or her parent can expect to receive under each Title IV program. Out of a sample of 60 randomly selected students who received Title IV funds during our audit period, 26 students (43%) did not receive the required written notification letter. As a result, the student or parent is not given the opportunity to make an informed decision about their federal student aid.</p> <p>The University did not notify students of the amounts of funds to expect to receive under each Title IV program due to reliance upon the Banner system to send the notification letters automatically. According to the University, a setting within the system was changed by an employee that caused the letters to not be sent, and the Financial Aid Department did not monitor to ensure letters were being sent.</p> <p>Federal regulations² require the University to notify a student of the amount of funds that the student or his or her parent can expect to receive under each Title IV program, and how and when those funds will be disbursed.</p> <p><i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014. CFDA 84.007 Federal Supplemental Educational Opportunity Grants (FSEOG); CFDA 84.033 Federal Work Study Program (FWS); CFDA 84.038 Federal Perkins Loans (FPL); CFDA 84.063 Federal Pell Grant Program (Pell); CFDA 84.268 Federal Direct Student Loans (Direct Loan)</p> <p><i>Recommendation:</i> The University should implement procedures to ensure that required notifications are being supplied to the student or parent.</p> <p><i>Agency Response:</i> WSSU agrees with the finding that required written notifications were not supplied to students or parents.</p> <p>WSSU identified the issues of notifications not being sent in late July/early August of 2014. The issues were subsequently addressed and fixed during the later part August 2014, resolving problem for the 2013-14 award-year as well as subsequent award-years.</p>

² 34 CFR section 668.165

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-027	Subrecipient Monitoring: Material Weakness	<p data-bbox="537 562 1227 590"><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p data-bbox="537 625 1474 835">The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines.</p> <p data-bbox="537 871 1474 961">Auditor's reviewed 10 out of 49 fiscal monitoring reports which indicated reports were not completed and communicated timely as well as delays in subrecipients' responses to issues identified. The errors were as follows:</p> <ul data-bbox="586 997 1474 1178" style="list-style-type: none"> <li data-bbox="586 997 1474 1052">• Nine out of 10 (90%) reports reviewed were issued between 67 and 134 business days after the date of the visit. <li data-bbox="586 1094 1474 1178">• For three out of 10 (30%) reports reviewed, the subrecipients did not submit corrective action plans until 39, 67 and 121 business days after the plan was due to the Department. <p data-bbox="537 1213 1474 1304">As a result, corrective action by subrecipients to monitoring issues was delayed allowing noncompliance with federal program regulations and possible misuse of funds to continue.</p> <p data-bbox="537 1339 1474 1486">As of June 2014, the Department did not have a comprehensive policy with a timeline for preparing monitoring reports and communicating results to the subrecipients. However, as of July 2014, the Department has adopted an internal policy to require fiscal monitoring reports be completed and communicated to subrecipients within 45 business days.</p> <p data-bbox="537 1522 1474 1577">The Department's policy requires subrecipients to respond to findings within 30 business days of receipt of the report.</p> <p data-bbox="537 1612 1474 1801">OMB Circular A-133 regulations require pass-through entities to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved. In addition, it requires pass-through entities to ensure subrecipients took appropriate and timely corrective action on its findings.</p> <p data-bbox="537 1837 1292 1856">Significant aspects of this finding were reported in the prior year.</p>

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
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Federal Award Information: This finding impacts these federal programs:

- a) Special Education – Grants to States: Federal funding periods:
1) July 1, 2012 – September 30, 2013 (H027A120092A); and
2) July 1, 2013 – September 30, 2014 (H027A130092A).
- b) Special Education – Preschool Grants: Federal funding periods:
1) July 1, 2012 – September 30, 2013 (H173A120096); and
2) July 1, 2013 – September 30, 2014 (H173A130096).
- c) Title I Grants to Local Education Agencies: Federal funding periods:
1) July 1 2012 – September 30, 2013 (S010A120033A); and
2) July 1 2013 – September 30, 2014 (S010A130033A).
- d) Improving Teacher Quality State Grants: Federal funding periods:
1) July 1, 2012 – September 30, 2013 (S367A120032A); and
2) July 1, 2013 – September 30, 2014 (S367A130032A).
- e) Race to the Top: Federal funding period September 24, 2010 –
September 23, 2014 (S395A100069).
- f) Career and Technical Education: Federal funding period: July 1, 2013
– September 30, 2014 (V048A130033-12A).
- g) School Improvement Grant: Federal funding periods: 1) July 1, 2012 –
September 30, 2013 (S377A120034); and 2) July 1, 2013 –
September 30, 2014 (S377A130034).
- h) School Improvement Grant, Recovery Act: Federal funding period:
February 17, 2009 – September 30, 2010 (S388A090034).

Recommendations: The Department should ensure compliance with the new policy for completing and communicating fiscal monitoring results.

The Department should ensure that subrecipients respond with corrective action for noncompliance issues within 30 business days of receipt of their report.

Agency Response: The Department concurs with the Auditor's finding and recommendations related to fiscal monitoring. As noted in the auditor's finding, fiscal monitoring policies and procedures establishing appropriate timelines for issuance of monitoring reports and submission of corrective action/responses by subrecipients were implemented effective July 1, 2014. Subrecipient

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-028 Subrecipient Monitoring: Significant Deficiency	<p>response rate and timeliness improved since the February 2014 implementation of a standard fiscal monitoring cover letter/report that includes language regarding potential consequences for failure to respond. Fiscal monitoring efforts are tracked in a comprehensive tracking log that captures many internal steps occurring between the site visit and closure of the monitoring report by individual subrecipient. Significant dates the log captures include, but are not limited to, the date the monitoring site visit occurs, the date supervisory review of the report occurs, the date the final report is issued, the date a response/corrective action is due back to the agency if applicable, the date the response/corrective action is submitted and finally the date the monitoring cycle for each subrecipient is closed. The tracking log is updated in an ongoing basis throughout the fiscal year. Utilization of the fiscal monitoring cover letter/report templates and the tracking log should continue to significantly reduce the risk of timeliness or incompleteness issues.</p> <p>Corrective action was implemented July 1, 2014.</p> <p><u>Title I Program Monitoring Visits Not Timely Reviewed for Completeness</u></p> <p>The Department's Title I Grants to Local Education Agencies (Title I) program monitors failed to complete and review monitoring tracking forms. The forms track monitoring procedures from the on-site monitoring visit to the receipt of subrecipients' corrective action plans. The Title I program is used to develop and implement instructional programs designed to help low-income, at risk, students meet the State's challenging academic achievement standards required to move up grade levels and graduate. During the audit period, the Department paid 188 subrecipients approximately \$389 million in Title I funds. The Department monitors subrecipients at least once every three years.</p> <p>Auditors reviewed documentation for 11 out of 51 subrecipient monitoring visits and identified four errors as follows:</p> <ul style="list-style-type: none"> • For three out of 11 (27%) tracking forms, the Department failed to review timely. The reviews were seven to twelve months late. • One out of 11 (9%) tracking forms was incomplete which questions the integrity of the monitoring procedures. <p>As a result, monitoring procedures may not be completed and a subrecipient may not take timely corrective action to address monitoring findings. The lack of timely review allowed findings for one subrecipient to go uncorrected for a year. Types of findings include failure to provide parents, upon request,</p>

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>information about the professional qualifications of classroom teachers or failure to make the school's instructional program plans for ensuring students meet academic standards available for parental review.</p> <p>Although Departmental procedures require monitoring procedures to be tracked, supervisory review was not consistently performed to ensure completeness of the monitoring process. The critical procedures being tracked include that the visit occurred, the report was sent to the subrecipient, and the subrecipient took appropriate and timely corrective action on all findings.</p> <p>OMB Circular A-133 regulations require pass-through entities to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved.</p> <p>Aspects of this finding were reported in the prior year.</p> <p><i>Federal Award Information:</i> Title I Grants to Local Education Agencies: Federal funding period: July 1, 2013 – September 30, 2014 (S010A130033A).</p> <p><i>Recommendation:</i> The Department should promptly review tracking forms to ensure all monitoring procedures are completed and subrecipients take timely corrective action.</p> <p><i>Agency Response:</i> The Department concurs with the Auditor's finding and recommendation regarding federal program monitoring tracking forms. The Federal Program Monitoring and Support Services' monitoring policies and procedures are in the process of being revised to reflect the implementation of a comprehensive tracking log that will replace individual hard copy tracking forms. The updated policies and procedures will incorporate utilization of a centralized federal program monitoring tracking log that captures many internal steps occurring between the site visit and closure of the monitoring report by subrecipient. Significant dates the log will capture include, but are not limited to, the date the monitoring site visit occurs, the date supervisory review of the report occurs, the date the final report is issued, the date a response/corrective action is due back to the agency if applicable, the date the response/corrective action is submitted and finally the date the monitoring cycle for each subrecipient is closed. The tracking log will be updated in an ongoing basis throughout the fiscal year. Implementation of the tracking log and revision of existing federal program monitoring policies and procedures should significantly reduce the risk of timeliness or incompleteness issues.</p> <p>Expected date of completion: June 30, 2015</p>

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 N.C. Department of Public Instruction
 For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-029	Special Tests and Provisions: Material Weakness Material Noncompliance	<p><u>Inaccurate School Status Reporting Could Impact Parental School Decision</u></p> <p>The Department of Public Instruction (Department) incorrectly reported the Elementary and Secondary Education Act (ESEA) school status for 156 schools on its public website for North Carolina School Report Cards. The 2012-2013 state school year statuses, released in January 2014, were found to have the following errors:</p> <ul style="list-style-type: none"> • 105 schools were incorrectly reported as reward³schools. • 51 schools were not reported as reward schools. <p>Additionally, the listing of charter schools on the Departments website incorrectly reported 10 charter schools without a status and should have reported them as follows:</p> <ul style="list-style-type: none"> • Four should have been listed as reward schools. • Four should have been listed as priority⁴schools. • Two should have been listed as focus⁵ schools. <p>The failure to accurately report school statuses could mislead parents when making decisions about relocating to or within the state and choosing a school to enroll their children.</p> <p>The Department failed to verify the accuracy of the 2012-2013 school status information and loaded the wrong year's data on the public website. The inaccurate data remained uncorrected until October 2014.</p> <p>The U.S. Department of Education's ESEA Flexibility requires the preparation and dissemination of an annual report card that includes the names of schools identified as reward, priority, or focus schools.</p> <p><i>Federal Award information:</i> Title I Grants to Local Education Agencies: Federal funding period: July 1, 2013 – September 30, 2014 (S010A130033A).</p>

³ A reward school has demonstrated high student achievement or high student progress over a three year period

⁴ A priority school has been identified among the lowest performing schools in the State

⁵ A focus school is contributing to the achievement gap in the State or with a graduation rate less than 60 percent over a three year period and is not a priority school

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 N.C. Department of Public Instruction
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-030 Special Tests and Provisions: Significant Deficiency	<p><i>Recommendation:</i> The Department should ensure procedures are in place to verify the accuracy of school status data prior to the annual release on the public website.</p> <p><i>Agency Response:</i> The Department concurs with the Auditor's finding regarding inaccurate school status reporting. The finding was partially a result of a coding error in the old School Report Cards (SRC) website, which failed to display charter schools. Once identified, the error was immediately corrected. In addition, NCDPI moved to a new technology platform and reworked the SRC website for the 2013-14 school year. The new website allows more opportunity for review by the SRC data providers and LEA staff, which strengthens the review and quality assurance effort. Prior to release, the 2013-14 School Report Cards were reviewed by the DPI staff responsible for the reported data. The SRC coordinators in every LEA and charter school in the state were given over a week to review the data as well. For the 2014-15 release, a test environment for the SRC is being built, which will allow for an even more robust quality assurance and a longer data preview period.</p> <p>Corrective action occurred in October of fiscal year 2014-15.</p> <p><u>Required Verification of Graduation Rates Was Not Performed</u></p> <p>The Department did not monitor Local Education Agencies (LEAs) and charter high schools to verify that the adjustments to the regulatory adjusted cohort⁶ and the resulting adjustments to graduation rates were appropriate. The graduation rate is a measure of a school's success that when computed incorrectly could mislead parents when making decisions on where to relocate and choosing schools to enroll their children.</p> <p>As a result, the lack of verification may have allowed inaccurate graduation rates⁷ to have gone undetected by the Department. Although there is a risk of inaccuracy, a large number of students would have to be improperly removed from the student count to significantly change the graduation rate. For example, approximately 1300 students would have to be improperly removed from the total student count to increase the graduation rate by 1% based on statewide calculations.</p>

⁶ A cohort is made up of a group of first-time 9th graders which form a future graduating class in a specific school, district or state.

⁷ The graduation rate is calculated based on the number of students who graduate in 4 years or less with a regular high school diploma divided by the number of students who form the adjusted cohort.

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>Although the Department was aware of the documentation verification requirement, it did not implement changes in its monitoring procedures to verify written documentation was maintained to support the removal of a student from the graduation rate calculation. The Department has the final number of students and graduation rates, but it does not have readily available data on the number of students removed prior to the graduation rate calculation to aid in evaluating the accuracy of the graduation rate.</p> <p>Federal regulations (34 CFR 200.19(b)) require the Department to verify that LEAs and charter high schools maintain appropriate written documentation⁸ supporting the removal of a student from the calculation to ensure that the graduation rate is accurate and consistently calculated. The process for calculating the graduation rate was established by the U.S. Department of Education to provide parents, educators and community members with a more accurate standardized calculation that would allow for meaningful comparisons across states and school districts.</p> <p><i>Federal Award Information:</i> Title I Grants to Local Education Agencies: Federal Funding Period: July 1, 2013 – September 30, 2014 (S010A130033A).</p> <p><i>Recommendation:</i> The Department should develop and implement monitoring procedures to verify that LEAs and charter high schools maintain appropriate written documentation to support the removal of students from the calculation of the graduation rate.</p> <p><i>Agency Response:</i> The Department concurs with the Auditor's finding and recommendation regarding the verification of graduation rates. Currently, schools enter an exit code into PowerSchool to denote students who should be removed from the denominator of the graduation rate. Also, the Department provides the CGRAUDIT (cohort graduation audit) file and the CGREXIT (cohort graduation rate exit) file to LEAs and charter schools. Any students withdrawn from the cohort are flagged for confirmation. The Department will require LEAs and charter schools to maintain evidence/documentation for each withdrawal to include, but not limited to, certifications of death, transfers to private schools, transfers to homeschools, certifications of the student(s) leaving the state or country, and certifications of the student(s) being in a detention center. The LEA or school accountability director/test coordinator and the respective superintendent will verify the evidence/documentation and sign and date the required End of Year Data Collection Sign Off, which is provided</p>

⁸ Appropriate written documentation to support adjustments to a cohort may include an obituary or written statement from the parent when a student dies or a request for student records from the public or private high school when a student transfers to another state or emigrates to another country.

84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education
N.C. Department of Public Instruction
For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
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to the Department's Division of Accountability Services. The Department will inform LEAs and charter schools of the evidence/documentation requirements effective with the 2015-16 school year.

84.027 SPECIAL EDUCATION – GRANTS TO STATES**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-031	Subrecipient Monitoring: Material Weakness	<p data-bbox="537 562 1227 590"><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p data-bbox="537 625 1474 837">The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines. See finding 2014-027 for a description.</p>

84.031 HIGHER EDUCATION – INSTITUTIONAL AID**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

Fayetteville State University

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-032	Procurement and Suspension and Debarment: Material Weakness Material Noncompliance	<p><u>Lack of Verification to Ensure the University is Not Contracting with Debarred Vendors</u></p> <p>The University did not timely verify that their vendors were not suspended or debarred⁹ from doing business with the federal government. During fiscal year 2014, the University paid \$1,184,028 from federal funds to 19 vendors who are subject to this verification.</p> <p>During the review of all vendors subject to verification, the University did not follow proper verification procedures in 11 (58%) instances:</p> <ul style="list-style-type: none"> • For eight of the 19 (42%) vendors reviewed, the University could provide no evidence that the verification of eligibility had taken place within the appropriate time frame established by the University. • In three out of the 19 (16%) vendors reviewed, the University could provide no evidence that the verification had taken place at all. <p>Because the University did not timely verify that their vendors were not suspended or debarred, there was an increased risk that the University would be defrauded by entering into transactions with unscrupulous vendors. This increased the likelihood that federal funds would not be available to support improvements in educational quality, management, and financial stability of the university.</p> <p>The University did not timely verify that vendors were not debarred because there was not a system in place to track that all verifications were completed.</p> <p>Federal regulations¹⁰ state that non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred and must verify that the entity is not suspended or debarred or otherwise excluded from participating in the transaction. University purchasing policy states that the University will review vendor suspension and debarment status at least once per year to comply with Federal regulations.</p> <p><i>Federal Award Information:</i> This finding impacts CFDA 84.031 Higher Education Institutional Aid: Federal award P031B100016 for years October 1, 2012 – September 30, 2013 and October 1, 2013 – September 30, 2014; and</p>

⁹ Debarment is the state of being excluded from enjoying certain rights, privileges, or practices and act of prevention by legal means. Companies can be debarred from contracts due to allegations of fraud, mismanagement, and similar improprieties.

¹⁰ Office of Management and Budget (OMB) Circular A-133 2014 Compliance Supplement, Part 3, Section I.

84.031 HIGHER EDUCATION – INSTITUTIONAL AID (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

Fayetteville State University

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	Federal award P031B0120554 for years October 1, 2012 – September 30, 2013 and October 1, 2013 – September 30, 2014.
	<i>Recommendation:</i> The University should implement a system to ensure that the University verifies annually that vendors with whom a financial relationship exists are not suspended or debarred.
	<i>Agency Response:</i> The University agrees with the finding and recommendation. We are pleased to report that Fayetteville State University does not have any documented contracts with any debarred vendors for the financial period ended June 30, 2014. The University has implemented standards and controls; however, these mitigating controls have not been consistently administered during the past fiscal year. To improve the process, management will be providing professional development training to the Purchasing staff on the Single Audit Debarred Vendor Standards. Additionally, during our bi-monthly Business and Finance status meetings, we will address and place increased emphasis on the Debarred Vendor Transactions Certification process. Moreover, our Systems and Procedures Office is in the process of developing an electronic validation certification process within SciQuest. This electronic purchase to payment portal will require the debarred vendor certification for qualifying payments. Further, the Systems and Procedures Office will develop diagnostic reports for qualifying payments to validate required debarred vendor certifications which are documented in SciQuest and prerequisite vendor record files.

84.033 FEDERAL WORK-STUDY PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

University of North Carolina at Chapel Hill

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-033	Special Tests and Provisions: Material Weakness Material Noncompliance	<u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u> The University's undergraduate Satisfactory Academic Progress (SAP) policy does not meet the minimum elements required by Federal regulations. As a result, ineligible students could continue receiving assistance, potentially hindering other eligible students from receiving aid. For the fiscal year that ended June 30, 2014, approximately 12,813 students received \$194,741,088 in Title IV federal student financial aid. See finding 2014-025 for a description.

84.033 FEDERAL WORK-STUDY PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 Winston-Salem State University

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-034	Special Tests and Provisions: Material Weakness Material Noncompliance	<u>Required Written Notifications Were Not Supplied to Students</u> The University did not notify students of the amount of funds that the student or his or her parent can expect to receive under each Title IV program. Out of a sample of 60 randomly selected students who received Title IV funds during our audit period, 26 students (43%) did not receive the required written notification letter. As a result, the student or parent is not given the opportunity to make an informed decision about their federal student aid. See finding 2014-026 for a description.

84.038 FEDERAL PERKINS LOAN PROGRAM – FEDERAL CAPITAL CONTRIBUTIONS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

University of North Carolina at Chapel Hill

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-035	Special Tests and Provisions: Material Weakness Material Noncompliance	<u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u> The University's undergraduate Satisfactory Academic Progress (SAP) policy does not meet the minimum elements required by Federal regulations. As a result, ineligible students could continue receiving assistance, potentially hindering other eligible students from receiving aid. For the fiscal year that ended June 30, 2014, approximately 12,813 students received \$194,741,088 in Title IV federal student financial aid. See finding 2014-025 for a description.

84.038 FEDERAL PERKINS LOAN PROGRAM – FEDERAL CAPITAL CONTRIBUTIONS

III. Federal Award Findings and Questioned Costs

U.S. Department of Education
 Winston-Salem State University
 For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-036	Special Tests and Provisions: Material Weakness Material Noncompliance	<p><u>Required Written Notifications Were Not Supplied to Students</u></p> <p>The University did not notify students of the amount of funds that the student or his or her parent can expect to receive under each Title IV program. Out of a sample of 60 randomly selected students who received Title IV funds during our audit period, 26 students (43%) did not receive the required written notification letter. As a result, the student or parent is not given the opportunity to make an informed decision about their federal student aid. See finding 2014-026 for a description.</p>

84.048 CAREER AND TECHNICAL EDUCATION – BASIC GRANTS TO STATES**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-037	Subrecipient Monitoring: Material Weakness	<p data-bbox="537 562 1227 590"><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p data-bbox="537 625 1468 835">The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines. See finding 2014-027 for a description.</p>

84.063 FEDERAL PELL GRANT PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

Elizabeth City State University

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-038	Special Tests and Provisions: Material Weakness Questioned Cost Finding \$1,313	<p data-bbox="519 556 1088 588"><u>Error in Calculation for Return of Title IV Funds</u></p> <p data-bbox="519 619 1482 714">The University incorrectly calculated how much money to return to the Title IV program after students supported by the program withdrew from school. The calculations were also untimely.</p> <p data-bbox="519 745 1482 840">As a result, the University had more than \$18,300 in incorrect or late payments to the Title IV program that could have been allocated to support other students.</p> <p data-bbox="519 871 1482 1113">The University's calculations for how much to return to Title IV failed to include amounts for unofficial student withdrawals. For the fiscal year ended June 30, 2014, eight students received all grades of FA (Failure due to absenteeism). These students received \$46,981 in Title IV funds, and \$14,134.84 of this amount should have been calculated into the amounts to be returned. Additionally, two students who officially withdrew from all classes during the Spring 2014 semester were not included in the University's original calculation of return of Title IV funds, resulting in \$4,201.93 being returned late.</p> <p data-bbox="519 1144 1482 1302">Federal regulations (34 CFR 668.22(a)(1) through (a)(5)) states that if the total amount of assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs.</p> <p data-bbox="519 1333 1482 1449">The regulations (34 CFR sections 668.22(c) and (d)) also state that if the student ceases attendance without providing official notification to the institution of his or her withdrawal, the midpoint of the payment period, or if applicable, the period of enrollment is the withdrawal date.</p> <p data-bbox="519 1480 1482 1638">Additionally, regulation ((34 CFR section 668.173(b)) requires that returns of Title IV funds be deposited or transferred into the Student Financial Aid account or that electronic fund transfers be initiated to ED or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.</p> <p data-bbox="519 1669 1482 1764"><i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014. CFDA 84.063 Federal Pell Grant Program (Pell); CFDA 84.268 Federal Direct Student Loans (Direct Loan)</p> <p data-bbox="519 1795 1482 1850"><i>Recommendation:</i> The University should design and implement effective procedures to ensure that required calculations for returns of Title IV are</p>

84.063 FEDERAL PELL GRANT PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

Elizabeth City State University

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>complete and accurate and funds are returned on a timely basis in accordance with federal compliance requirements.</p> <p><i>Agency Response:</i> The Director for Financial Aid will ensure that the following procedures are implemented immediately to ensure required calculations for the return of Title IV funds are complete, accurate, and returned on a timely basis. Further, Financial Aid will apply this procedure retrospectively starting with July 1, 2014.</p> <p>Official Withdrawals</p> <ul style="list-style-type: none"> • A monthly report from the Testing/Counseling of all students that have “officially” withdrawn from ECSU will be obtained by Financial Aid. • Financial Aid will evaluate the report to determine which students received federal funding and will conduct a return to Title IV calculation to determine if there are “unearned” funds that must be returned to the awarding agency. • Financial Aid will send a memo to Student Accounts of the Title IV funds that need to be returned listing the student, award agency, and amount. • Financial Aid will send a letter to the student’s permanent address on file advising them of the amount of “unearned” aid that was returned to the awarding agency based on the official withdrawal date. • Student Accounts will notify Contracts and Grants the amount to be returned electronically to the awarding agency and will also collect any balances due from the student. <p>Unofficial Withdrawals</p> <ul style="list-style-type: none"> • Financial Aid will contact Institutional Research one week following the submission of mid-term grades requesting a report of all students that received a grade of “FA” in all of their coursework. • Financial Aid will then contact the professors of the students identified to determine the last day that the student attended the class.

84.063 FEDERAL PELL GRANT PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

Elizabeth City State University

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<ul style="list-style-type: none"> • The last day that student attended the class will be used and the “unofficial” withdrawal date for the return to Title IV calculation. • Financial Aid will send a memo to Student Accounts of the Title IV funds that need to be returned listing the student, award agency, and amount. • Financial Aid will send a letter to the student’s permanent address on file advising them of the amount of “unearned” aid that was returned to the awarding agency based on the official withdrawal date. • Student Accounts will notify Contracts and Grants the amount to be returned electronically to the awarding agency and will also collect any balances due from the student.

84.063 FEDERAL PELL GRANT PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

University of North Carolina at Chapel Hill

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-039	Special Tests and Provisions: Material Weakness Material Noncompliance	<u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u> The University's undergraduate Satisfactory Academic Progress (SAP) policy does not meet the minimum elements required by Federal regulations. As a result, ineligible students could continue receiving assistance, potentially hindering other eligible students from receiving aid. For the fiscal year that ended June 30, 2014, approximately 12,813 students received \$194,741,088 in Title IV federal student financial aid. See finding 2014-025 for a description.

84.063 FEDERAL PELL GRANT PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Pembroke
 For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-040	Special Tests and Provisions: Material Weakness Material Noncompliance	<p><u>Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid</u></p> <p>The University did not timely report changes to the enrollment status of students that received federal student aid to the National Student Loan Data System (NSLDS). The University had 1,050 students that received \$5,024,936.93 in federal student financial assistance subject to this reporting.</p> <p>Out of a sample of 60 students who received federal financial assistance and whose enrollment status changed, 47 (78%) did not meet the federal compliance requirements:¹¹</p> <ul style="list-style-type: none"> • In 44 of the sample items not in compliance, the changes in enrollment statuses were one day to 175 days late. • In three of the sample items not in compliance, the changes in enrollment statuses were never reported <p>Further analysis revealed that all students who graduated during the 2013-2014 academic year (790 students) were reported to NSLD inaccurately as withdrawn or still enrolled.</p> <p>Information in NSLDS that is not reported timely by the University may interfere with a student's loan privileges, deferment privileges, grace periods, and other considerations including the evaluation and funding of the Title IV programs by the Department of Education. Further, the University could have had its eligibility for Title IV federal student financial aid revoked.</p> <p>The University did not timely report enrollment status changes of students that received federal student aid because employees did not know it was their responsibility to ensure that the information reported to NSLDS was in agreement with the University records.</p> <p>Federal regulations require the University to notify NSLDS within 30 days of a change in student status for those students that received Pell Grant and Federal Direct Loan funds. In addition, the NSLDS Enrollment Reporting Guide states the University is ultimately responsible for timely and accurate reporting.</p> <p><i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014, CFDA 84.063 Federal Pell Grant Program (Pell); CFDA 84.268 Federal Direct Student Loans (Direct Loan).</p>

¹¹ 34 CFR sections 682.610, 685.309 and 690.83

84.063 FEDERAL PELL GRANT PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Pembroke
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Recommendation:</i> The University should ensure required student enrollment changes are reported timely and accurately to the Department of Education.</p>
	<p><i>Agency Response:</i> We agree with the auditor's comments, and the following actions were taken to correct the deficiencies. The Registrar's Office contacted the National Student Loan Clearinghouse November 20, 2014 and updated UNCP's profile to include the transmission of our graduated student file to the National Student Loan Data System (NSLDS). In January 2015, the Financial Aid Director selected a sample of students who graduated in December 2014 and verified NSLDS correctly reflected these students' status as '<i>graduated</i>'. Going forward, the Director of Financial Aid (or his/her designee) will conduct a similar review in January and June of each year to ensure that student statuses are correctly updated to '<i>graduated</i>'. Because of complications in correcting older file submissions, the status of graduates from the audit year (2013-2014) will require more time to be updated in NSLDS, but updates should be completed by June 30, 2015.</p>

84.063 FEDERAL PELL GRANT PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
Winston-Salem State University

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-041	Special Tests and Provisions: Material Weakness Material Noncompliance	<p><u>Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid</u></p> <p>The University did not timely report changes to the enrollment status of students that received federal student aid to the National Student Loan Data System (NSLDS). The University had 1,384 students that received \$5,586,603 in federal student financial assistance subject to this reporting.</p> <p>Out of a sample of 60 students who received federal student financial assistance and whose enrollment status changed, 31 (52%) did not meet the federal compliance requirements.¹²</p> <ul style="list-style-type: none"> • In 27 of the sample items not in compliance, the changes in enrollment statuses were 29 to 89 days late. • In four of the sample items not in compliance, the changes in enrollment statuses were never reported. <p>Information in NSLDS that is not reported timely by the University may interfere with a student's loan privileges, deferment privileges, grace periods, and other considerations including the evaluation and funding of the Title IV programs by the Department of Education. Further, the University could have had its eligibility for Title IV federal student financial aid revoked.</p> <p>According to the University, enrollment status changes of students that received federal student aid were not reported timely because employees relied upon the National Student Clearinghouse (NSC), a third party service provider, to ensure the reporting was timely. Additionally, employees stated they did not understand it was their responsibility to ensure that the information reported to NSLDS was in agreement with the University records, therefore no control system was in place to ensure the reporting was being performed as required.</p> <p>Federal regulations require the University to notify NSLDS within 30 days of a change in student status for those students that received Pell Grant and Federal Direct Loan funds. In addition, the NSLDS Enrollment Reporting Guide states the University is ultimately responsible for timely and accurate reporting.</p> <p><i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014. CFDA 84.063 Federal Pell Grant Program (Pell); CFDA 84.268 Federal Direct Student Loans (Direct Loan)</p>

¹² 34 CFR sections 682.610, 685.309, and 690.83

84.063 FEDERAL PELL GRANT PROGRAM (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education
 Winston-Salem State University
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-042	<p data-bbox="537 562 1468 653"><i>Recommendation:</i> The University should implement procedures to ensure required student enrollment changes are reported timely and accurately to the Department of Education.</p> <p data-bbox="537 684 1468 774"><i>Agency Response:</i> Winston-Salem State University (WSSU) agrees with the finding that there were enrollment reporting errors which threaten eligibility for Title IV Student Aid.</p> <p data-bbox="537 806 1468 896">WSSU has determined that some of the identified issues with enrollment reporting have been resolved. Resolution for the remaining issues will be completed by March 27, 2015.</p> <p data-bbox="310 961 508 1016"><u>Special Tests and Provisions:</u></p> <p data-bbox="342 1031 456 1085">Material Weakness</p> <p data-bbox="342 1100 508 1155">Material Noncompliance</p> <p data-bbox="537 961 1263 993"><u>Required Written Notifications Were Not Supplied to Students</u></p> <p data-bbox="537 1024 1468 1236">The University did not notify students of the amount of funds that the student or his or her parent can expect to receive under each Title IV program. Out of a sample of 60 randomly selected students who received Title IV funds during our audit period, 26 students (43%) did not receive the required written notification letter. As a result, the student or parent is not given the opportunity to make an informed decision about their federal student aid. See finding 2014-026 for a description.</p>

84.126 REHABILITATION SERVICES – VOCATIONAL REHABILITATION GRANTS TO STATES

III. Federal Award Findings and Questioned Costs

U.S. Department of Education
 N.C. Department of Health and Human Services
 For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-043	<p><u>Allowable Costs/ Cost Principles:</u></p> <p>Material Weakness</p> <p>Material Noncompliance</p> <p>Questioned Cost Finding</p> <p>\$3,586</p>	<p><u>Errors in Claims Payment Process</u></p> <p>The Department processed more than 127,000 payments for services totaling more than \$44 million during state fiscal year 2014. Thirty-two out of a sample of 100 (32%) payments contained errors. The total errors identified resulted in net overpayments of \$4,557 and federal question costs of \$3,586.</p> <p>OMB A-133 Section .510(a)(3) requires auditors to report known questioned costs when likely questioned costs are greater than \$10,000. Even though sample results identified only \$3,586 in questioned costs, if tests were extended to the entire population, questioned costs would likely exceed \$10,000 and could be material to the program.</p> <p>Examples of some of the errors noted included:</p> <ul style="list-style-type: none"> • Provided service was not on the individual's plan of employment • Service provided was unnecessary to obtain or retain employment • Payment amount was calculated incorrectly and/or paid at the wrong amount • Payment amount did not apply available third party benefits first <p>In addition, clients' third party benefits were not verified for 32 out of the sample of 100 (32%) payments.</p> <p>As a result, the Department made at least \$4,557 of improper payments of program funds that could have been used to provide services to other eligible clients or reduce the cost of the program.</p> <p>The benefit determinations made by counselors and the supporting documentation receive only a limited supervisory review. In addition, the Department did not make the appropriate changes to its current program benefits system for current Medicaid rates; therefore, causing payments to be made at incorrect rates.</p> <p>OMB Circular A-87 requires costs to be adequately documented, authorized by and consistent with regulations, in conformity with conditions of the federal award, necessary, and reasonable.</p> <p>Similar aspects of this finding were reported in previous years.</p>

84.126 REHABILITATION SERVICES – VOCATIONAL REHABILITATION GRANTS TO STATES

(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Federal Award Information:</i> This finding affects the Rehabilitation Services – Vocational Rehabilitation Grants to States federal grant awards H126A120049, H126A120050, H126A130049, H126A130050, H126A140049, and H126A140050 for the federal fiscal years ended September 30, 2012 to 2014.</p> <p><i>Recommendations:</i> The Department should implement procedures to ensure the rates in the program benefit system are consistently updated with the most current rates.</p> <p>The Department should ensure payments are calculated accurately and are supported.</p> <p><i>Agency Response:</i> The sample of claims reviewed were processed by the legacy CATS and ESS claims processing systems, which were replaced effective July 1, 2014 with BEAM.</p> <p>As planned prior to the audit, the Department will form a work group in April 2015 to review the casework service policy to determine a need for any programmatic changes. The Department will also utilize the work group to review contracts to address the payment rate inconsistencies cited in the finding. Based on the work group's recommendations, agreements will be revised as necessary to ensure they are consistent with the allowable rates established in casework policy. In addition, payment deficiencies identified in the finding will be corrected by October 15, 2015.</p> <p>The Department updated its policy to clarify requirements and procedures for waiving comparable benefits for diagnostic services. The policy change will ensure compliance with federal regulations and strengthen the maintenance of required documentation regarding the waiver of comparable benefits. The policy update is anticipated to be implemented April 15, 2015.</p> <p>The Department will enhance its processing of claims based on the current Medicaid rate when applicable by implementing a web service between the BEAM system and NCTracks to provide current Medicaid pricing information for medical, pharmacy, and institutional claims. The Change Service Request for the web service project has been approved and implementation is currently scheduled for July 1, 2015.</p> <p>The Department will ensure that timely follow up occurs for the collection or payment of the identified over and underpaid claims. The anticipated completion date is June 30, 2015.</p>

84.126 REHABILITATION SERVICES – VOCATIONAL REHABILITATION GRANTS TO STATES

(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-044	<u>Allowable Costs/ Cost Principles:</u> Material Weakness <u>Eligibility</u> Material Weakness	<p><u>Management Did Not Take Full Corrective Action on Prior Recommendations</u></p> <p>The Department of Health and Human Services (Department) management did not take full corrective action on prior year audit findings for three major federal programs audited for the current fiscal year ended June 30, 2014.</p> <p>Because management did not implement full corrective action, the following are findings in the current year:</p> <p><u>Rehabilitation Services - Vocational Rehabilitation Grants to States</u></p> <p>Errors in Claims Payment Process – The Department made payments to providers that did not comply with federal cost requirements for the program. As described in current year finding 2014-043, audit tests indicated a continuation in payment errors.</p> <p>Deficiencies in Participant Eligibility Documentation – The Department did not maintain documentation to support accurate and timely eligibility determinations for the program. As described in current year finding 2014-045, audit tests indicated a continuation in documentation errors.</p> <p><u>Medical Assistance Program</u></p> <p>Deficiencies in Provider Enrollment and Termination Processes – The Department continued to inadequately monitor the contracted service provider to ensure eligible medical providers are enrolled and ineligible providers are terminated from the program. As described in current year finding 2014-080, audit tests indicated an increase in enrollment and termination errors.</p> <p>Deficiencies with Program Integrity Functions – As described in current year finding 2014-082, the Department continued to inadequately track and review case investigations.</p> <p><u>Block Grants For Prevention and Treatment of Substance Abuse</u></p> <p>Monitoring Procedures Need Improvement – As described in current year finding 2014-089, the Department did not ensure Local Management Entities complied with applicable laws and regulations.</p> <p>Failure to implement corrective action in a timely way to ensure compliance allows federal funds to potentially be used for unallowable expenditures.</p>

84.126 REHABILITATION SERVICES – VOCATIONAL REHABILITATION GRANTS TO STATES

(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>Although the Department identified corrective action plans to address these deficiencies in prior years, management did not follow through to ensure corrective actions were taken.</p> <p>OMB Circular A-133 section .300 requires that state agencies maintain internal control over federal programs to ensure compliance with federal regulations. It further states that auditees are responsible for following up and taking corrective action for audit findings.</p> <p><i>Federal Award Information:</i> This finding affects the following programs and awards:</p> <p>CFDA #84.126 – Rehabilitation Services - Vocational Rehabilitation Grants to States</p> <p>This finding affects federal grant awards H126A120049, H126A120050, H126A130049, and H126A130050 for the federal fiscal years ended September 30, 2012, and 2013, respectively.</p> <p>CFDA # 93.778 – Medical Assistance Program</p> <p>This finding affects federal grant awards 05-1205NC5MAP and 05-1305NC5MAP for the federal fiscal years ended September 30, 2012, and 2013, respectively.</p> <p>CFDA #93.959 – Block Grants for Prevention and Treatment of Substance Abuse</p> <p>This finding affects federal grant awards TI010032-12 and TI010032-13 for the federal fiscal years ended September 30, 2012, and 2013, respectively.</p> <p><i>Recommendations:</i> The Department should ensure corrective action plans are finalized by planned completion dates.</p> <p>Management should hold responsible individuals accountable to ensure corrective action is taken.</p> <p><i>Agency Response:</i> The Department has partially resolved most of the referenced prior year audit findings and full resolution is anticipated during 2015. Corrective action plans were developed in response to the referenced findings and are being implemented.</p>

84.126 REHABILITATION SERVICES – VOCATIONAL REHABILITATION GRANTS TO STATES

(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-045	<p>Departmental management and the Office of the Internal Auditor have and will continue to monitor the implementation of corrective actions in a timely manner.</p> <p>The Department's response to this finding is included in its response to each of the referenced findings.</p>
<u>Eligibility:</u> Significant Deficiency	<p><u>Deficiencies in Participant Eligibility Documentation</u></p> <p>Twenty-nine client files out of a sample of 100 (29%) contained documentation errors. Although auditors found documentation errors, all clients tested met the key eligibility requirements for the program. Examples of errors include:</p> <ul style="list-style-type: none"> • Missing parental / guardian signature on minors' application • Clients' assets related to the financial need not verified • Eligibility decisions not made within 60 days or within the documented extension period <p>In addition, clients' identity verification was insufficiently documented for 44 out of the sample of 100 (44%) payments.</p> <p>As a result, there is an increased risk that federal funds could be provided to an ineligible recipient or that an eligible recipient could be denied needed funds.</p> <p>The eligibility determination process is a complex manual process and there is a limited supervisory review of counselors' determinations. In addition, there was no consistent organization of the information maintained in the clients' case files.</p> <p>OMB Circular A-87 requires that costs be adequately documented. Also, federal regulation 34 CFR 361 requires designated state units to maintain, for each applicant determined to be eligible, documentation to support that eligibility determination.</p> <p>The Department's program policies and procedures require that an eligibility determination be made within a reasonable time not to exceed 60 days from the date the individual submitted an application for services.</p> <p>Similar aspects of this finding were reported in previous years.</p>

84.126 REHABILITATION SERVICES – VOCATIONAL REHABILITATION GRANTS TO STATES

(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Federal Award Information:</i> This finding affects the Rehabilitation Services – Vocational Rehabilitation Grants to States federal grant awards H126A120049, H126A120050, H126A130049, H126A130050, H126A140049, and H126A140050 for the federal fiscal years ended September 30, 2012 to 2014.</p> <p><i>Recommendations:</i> The Department should strengthen the review of counselors' eligibility determinations to ensure that determinations are accurate and documented.</p> <p>Also a consistent structure should be established for the information maintained in client case files to ensure that all required information is acquired, verified, and documented. Counselor training should be conducted to ensure the structure is consistently applied.</p> <p><i>Agency Response:</i> The Department has established the following procedures to ensure eligibility determinations are accurate, well-documented, and address other deficiencies cited in the finding:</p> <p><u>Signature Issues:</u> In previous years, a "parental letter" was sent home to the parent/guardian of the applicant before initiating the application process to explain the vocational rehabilitation (VR) program and obtain their signed consent for their child to apply for services. On July 1, 2014, the Department's Division of Vocational Rehabilitation (DVR) strengthened this process whereby the actual "VR Application" is sent home to the parent along with the "parental letter". Both forms must be signed and returned to the Division before a staff member meets with the minor child for intake.</p> <p><u>Client Assets/Financial Need:</u> The Department's new automated case management system (BEAM), effective as of July 1, 2014, is programmed to ensure that cases cannot progress to the plan development phase without completing a financial need survey (FNS) form and establishing the appropriate financial determination. The system ensures that all proper financial documentation, signatures, and forms are in place prior to any status change to the Individualized Plan of Employment (IPE). Additionally, the Department strengthened the verification of client financial resources by updating policy to require 3 months of banking account statements for all bank accounts for individuals determined to be part of the "net family unit." Any excess resources determined from the banking statements must be accounted for on the "financial needs" form.</p>

84.126 REHABILITATION SERVICES – VOCATIONAL REHABILITATION GRANTS TO STATES
(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><u>Timely Eligibility Determinations</u>: Effective December 1, 2014, the Department initiated statewide monitoring procedures of applicant VR files. A consolidated regional report of all applicant VR files that are exceeding sixty days is submitted to DVR by the 15th of each month. The report allows field staff and management to monitor the timeliness of eligibility determinations on a daily/weekly basis.</p>
	<p><u>Client Identification/Verification</u> - Current policy indicates that identity must be verified before eligibility and service delivery; but has not required copies to be maintained in the case record. The Department previously provided guidance that copies of documents with personal identifying information should not be maintained in the case record due to the risks associated with identity theft. The BEAM intake form allows the counselor to document that the client has a North Carolina Driver's License. The Department will explore other options within the BEAM system to document that identity has been verified.</p>
	<p><u>Client Case File Structure</u> - In April 2015, DVR's Quality Development Specialists will collaborate with management to establish procedures that provide a consistent structure for maintaining information in the non-electronic case file. Once the guidelines are established, Quality Development Specialists will train and provide feedback to counselors during routine case reviews. Managers will also routinely reinforce the guidelines.</p>

84.173 SPECIAL EDUCATION – PRESCHOOL GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-046	Subrecipient Monitoring: Material Weakness	<p data-bbox="537 562 1227 590"><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p data-bbox="537 625 1474 837">The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines. See finding 2014-027 for a description.</p>

84.268 FEDERAL DIRECT STUDENT LOANS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

Elizabeth City State University

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-047	Special Tests and Provisions: Material Weakness Questioned Cost Finding \$12,822	<u>Error in Calculation for Return of Title IV Funds</u> The University incorrectly calculated how much money to return to the Title IV program after students supported by the program withdrew from school. The calculations were also untimely. See finding 2014-038 for a description.
2014-048	Special Tests and Provisions: Material Weakness	<u>Lack of Controls Over Required Direct Loan Reconciliations</u> The University does not have a system in place to ensure that the amounts of Federal Direct Loans to students reported to the Department of Education agrees to actual loan disbursements in the accounting records. As a result, federal records could be inaccurate. Federal regulations (34 CFR 685) require the University to reconcile the Student Account Statement (SAS) data file (received from the Department of Education) to the University's financial records each month. During our testing, actual noncompliance was not identified. However, lack of internal controls increases the risk that the University would not comply with the federal regulations. <i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014. CFDA 84.268 Federal Direct Student Loans (Direct Loan) <i>Recommendation:</i> The University should implement controls to ensure that required reconciliations are completed timely and accurately and are documented in accordance with federal compliance requirements. <i>Agency Response:</i> The Director of Financial Aid will ensure the following procedures are implemented starting with the month of January 2015 to ensure that required reconciliations are completed timely, accurately, and documented in accordance with federal compliance requirements: <ul style="list-style-type: none"> • Financial Aid will load the monthly SAS data file into the Banner Financial Aid Module. • A process will run that will generate a file with edits for review. • This file will be loaded into the Direct Loan Tools software for further review and evaluation.

84.268 FEDERAL DIRECT STUDENT LOANS (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

Elizabeth City State University

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<ul style="list-style-type: none">• Once the review is complete, the report will be saved on the Financial Aid shared drive as well as printed and signed by the Director of Financial Aid to signify that the monthly reconciliation is complete and accurate.• The monthly report will be retained in a binder for access and review as necessary.

84.268 FEDERAL DIRECT STUDENT LOANS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Chapel Hill
 For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-049	Special Tests and Provisions: Material Weakness Material Noncompliance	<p><u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u></p> <p>The University's undergraduate Satisfactory Academic Progress (SAP) policy does not meet the minimum elements required by Federal regulations. As a result, ineligible students could continue receiving assistance, potentially hindering other eligible students from receiving aid. For the fiscal year that ended June 30, 2014, approximately 12,813 students received \$194,741,088 in Title IV federal student financial aid. See finding 2014-025 for a description.</p>
2014-050	Special Tests and Provisions: Significant Deficiency	<p><u>Lack of Controls Over Required Direct Loan Reconciliations</u></p> <p>The University does not have a system in place to ensure that the amounts of Federal Direct Loans to students reported to the Department of Education agrees to actual loan disbursements in the accounting records. As a result, federal records could be inaccurate.</p> <p>Federal regulations (34 CFR 685) require the University to reconcile Student Account Statement (SAS) data file (received from the Department of Education) to the University's financial records each month. During our testing, actual noncompliance was not identified. However, lack of internal controls increases the risk that the University would not comply with the federal regulations.</p> <p><i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014. CFDA 84.268 Federal Direct Student Loans (Direct Loan)</p> <p><i>Recommendation:</i> The University should implement controls to ensure that required reconciliations are completed timely and accurately.</p> <p><i>Agency Response:</i> We acknowledge that there is no "signature" process by which a senior administrator reviews the efforts of other staff members. But, we do engage in a monthly aggregate reporting of totals that serves to inform three senior staff members of loan totals and reconciliation processes. We believe this to be a sufficient control and to surpass what is required by the applicable federal regulations. We also believe this monthly collection of data encompasses a process very similar to, and much more powerful than, a signature alone.</p> <p>The University does have controls in place and does reconcile the Federal Direct Loan program on a monthly basis.</p>

84.268 FEDERAL DIRECT STUDENT LOANS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Chapel Hill
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>This reconciliation examines:</p> <ol style="list-style-type: none"> <li data-bbox="581 625 1474 684">(1) Actual disbursements to students in the accounting records of the University, <li data-bbox="581 716 1474 774">(2) Actual disbursements to students as recorded on their student account, and <li data-bbox="581 806 1474 865">(3) Actual disbursements to students as recorded by the federal government
	<p>We reconcile each student's disbursement totals for each award year as recorded in the student account. These amounts are compared and aligned to the student's disbursement records held by the federal government. The records are reconciled by comparing lists of the balances obtained from the University's PeopleSoft system and from the U.S. Department of Education Common Origination & Disbursement (COD) system. We also compare the cumulative total of the disbursements for the award year from the student accounts and the COD system to the cumulative total recorded for the award year in the accounting records of the University. Each award year has a distinct Project ID in the general ledger where all disbursements are recorded; therefore, disbursements are easily reconciled and kept in alignment. The University has successfully reconciled and closed each year of its participation in the Direct Loan program with a zero cash balance and has done so by the required deadline.</p>
	<p>We regret that we may not have fully described our reconciliation efforts to the audit team while they were on campus. The office does compare the loan disbursement records, including a tie to the accounting system, for all students receiving a loan. Those records are compared and discrepancies are identified and resolved. The accounting records are linked directly to the disbursement record in the PeopleSoft system. A record cannot exist in the accounting system for a student without first existing in the PeopleSoft system. We believe controls are adequate as they currently exist.</p>
	<p>In addition to the above efforts, on a monthly basis, the deputy director compiles aggregate information regarding disbursed Federal Direct Loans. In a monthly spreadsheet, the deputy director lists the disbursed loan totals from the PeopleSoft system. Also, the deputy director lists the disbursed totals as reported to the COD system. These totals are then sent in an attached spreadsheet to the senior associate director of financial aid and the associate provost/director of financial aid. The director reviews, monthly, all loan</p>

84.268 FEDERAL DIRECT STUDENT LOANS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Chapel Hill
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>reconciliation records submitted to General Administration as part of the ongoing Business Compliance Program (formerly FIT).</p>
	<p>Anticipated Completion Date: We believe the current monthly review by the director to be a sufficient control. However, a monthly signature process will be implemented effective with the 2015-016 academic year.</p>
	<p><i>Auditor Response:</i> In finding number 2014-050, the Office of the State Auditor is reporting that there was not a system in place to ensure the reconciliations were performed as required by federal regulations. The federal compliance requirement states that, each month, the University must reconcile the Student Account Statement (SAS) data file (received from the Department of Education) to the financial records and have a control in place to ensure the reconciliation is performed and is accurate. During our audit, we did not see any evidence of a procedure to alert the University if the reconciliation was not performed or performed inaccurately. The University's response, while very comprehensive of the reconciliation process, does not demonstrate evidence of a control.</p>

84.268 FEDERAL DIRECT STUDENT LOANS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 University of North Carolina at Pembroke
 For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-051	Special Tests and Provisions: Material Weakness Material Noncompliance	<u>Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid</u> The University did not timely report changes to the enrollment status of students that received federal student aid to the National Student Loan Data System (NSLDS). The University had 1,050 students that received \$5,024,936.93 in federal student financial assistance subject to this reporting. See finding 2014-040 for a description.

84.268 FEDERAL DIRECT STUDENT LOANS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
Winston-Salem State University

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-052	Special Tests and Provisions: Material Weakness Material Noncompliance	<u>Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid</u> The University did not timely report changes to the enrollment status of students that received federal student aid to the National Student Loan Data System (NSLDS). The University had 1,384 students that received \$5,586,603 in federal student financial assistance subject to this reporting. See finding 2014-041 for a description.
2014-053	Special Tests and Provisions: Material Weakness Material Noncompliance	<u>Required Direct Loan Reconciliations Were Not Properly Performed</u> The University did not perform timely and accurate required reconciliations of Federal Direct Loan (FDL) amounts, which totaled \$32,562,498 during the audit year. During the 12 months period that comprised our audit year, we found: <ul style="list-style-type: none"> • Five months (42%) for which reconciliations were not performed at all. • Seven months (58%) for which reconciliations were incomplete. In these instances, only the FDL disbursements were being reconciled and the ending cash balances were not being reconciled as required.¹³ There was also no evidence that the reconciliations that were performed were reviewed. <p>As a result, federal loan records could be inaccurate. Reconciliation ensures that the amount of Direct Loan funds the school has received can be substantiated by records for eligible borrowers at the school.</p> <p>According to the University, required reconciliations were not performed because the Financial Aid employees placed reliance on a consultant for these duties. In addition, the Financial Aid Department believed that it was not their responsibility to reconcile the ending cash balances.</p> <p>Federal regulations require the University to reconcile Student Account Statement (SAS) data file (received from the Department of Education) to the University's financial records each month. This reconciliation includes reconciling the disbursements as well as the ending cash balance in the SAS data file to the University's financial records, ensuring that any discrepancies are resolved, and any reasons for a positive or negative cash balance are documented.</p>

¹³ 34 CFR section 685

84.268 FEDERAL DIRECT STUDENT LOANS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
Winston-Salem State University

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Federal Award Information:</i> Award Year July 1, 2013 – June 30, 2014. CFDA 84.268 Federal Direct Student Loans (Direct Loan)</p>
	<p><i>Recommendation:</i> The University should implement procedures to ensure that required reconciliations are completed timely and accurately.</p>
	<p><i>Agency Response:</i> WSSU agrees with the finding that required Direct Loan reconciliations were not properly performed WSSU has reviewed its reconciliation processes and determined the necessary changes, which will bring the University into compliance. The implementation of the new reconciliation process will be completed by July 1, 2015, in time for the new fiscal year.</p>
2014-054	<p>Special Tests and Provisions:</p>
Material Weakness	<p><u>Required Written Notifications Were Not Supplied to Students</u></p>
Material Noncompliance	<p>The University did not notify students of the amount of funds that the student or his or her parent can expect to receive under each Title IV program. Out of a sample of 60 randomly selected students who received Title IV funds during our audit period, 26 students (43%) did not receive the required written notification letter. As a result, the student or parent is not given the opportunity to make an informed decision about their federal student aid. See finding 2014-026 for a description.</p>

84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-055	Subrecipient <u>Monitoring:</u> Material Weakness Material Noncompliance	<p data-bbox="519 556 1331 588"><u>Department Failed to Fully Document Subrecipient Monitoring Visits</u></p> <p data-bbox="519 619 1482 871">The Department's Twenty-First Century Community Learning Center (Twenty-First) program monitors failed to adequately complete monitoring reports. The Twenty-First grant is used to establish or expand academic enrichment opportunities that complement the students' regular academic program. During the audit period, the Department paid 139 subrecipients \$24.6 million in Twenty-First Century Community Learning Center funds. The Department monitors new subrecipients in the first year and in subsequent years subrecipients are monitored based on risk.</p> <p data-bbox="519 892 1482 1018">The Department's monitoring reports contain 47 specific performance indicators, covering five compliance categories, which are: Program Management; Program Implementation; Family Involvement; Federal, State, and Local Health Safety and Civil Rights Laws; and Fiscal Management.</p> <p data-bbox="519 1039 893 1081">Examples of indicators include:</p> <ul data-bbox="568 1113 1482 1459" style="list-style-type: none"> • Criminal background checks are completed for each program employee and volunteer prior to employment. • Program has process for recruiting, hiring, and retaining high-quality staff including volunteers. • Program operates in a facility that meets State and Federal safety guidelines for schools or places where children gather. • Ongoing student assessments are utilized to determine individual student growth and accountability. <p data-bbox="519 1491 1482 1554">Auditors reviewed 20 of the 99 on-site monitoring visits performed during the audit period and identified the following issues:</p> <ul data-bbox="568 1585 1482 1866" style="list-style-type: none"> • In 20 of 20 (100%), there was no evidence of supervisory review on the monitoring reports to ensure documentation was complete and supported whether the subrecipients met the required performance indicators. • In 15 of the 20 (75%), the monitoring reports were incomplete with most indicators having no notation of what documents the monitor reviewed or who was interviewed to conclude that the indicator was met. For the most part, only one or two short sentences were written

84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education
 N.C. Department of Public Instruction
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>for performance indicators that were not met and no documentation for performance indicators identified as met.</p> <p>As a result, the Department's failure to document the evidence reviewed and procedures performed could allow noncompliance to go undetected and lead to the possible misuse of federal funds.</p> <p>The Department's monitoring procedures do not require the staff to complete the supporting documentation unless a performance indicator was not met. This procedure leads to insufficient evidence to support all monitoring conclusions about performance.</p> <p>The Department also failed to follow through with their prior year corrective action plan which said they would update their monitoring procedures to ensure all performance indicators were documented.</p> <p>OMB Circular A-133 requires pass-through entities to monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved.</p> <p>Significant aspects of this finding have been reported previously in years 2011 and 2012.</p> <p><i>Federal Award Information:</i> Twenty-First Century Community Learning Centers: Federal funding periods: 1) July 1, 2012- September 30, 2013 (S287C120033); and 2) July 1, 2013 – September 30, 2014 (S287C130033).</p> <p><i>Recommendations:</i> The Department should revise and implement procedures to ensure its monitoring instruments are adequately completed and reviewed.</p> <p>The Department should complete and retain adequate supporting documentation for the monitoring procedures performed.</p> <p><i>Agency Response:</i> The Department concurs with the Auditor's finding and recommendations regarding incompleteness of the actual monitoring reports issued to subrecipients. Federal Program and Monitoring Support Services' policies and procedures do require each monitor to fully document and maintain said documentation for each of the 47 specific performance indicators covering five compliance categories for the Twenty-First Century Community Learning Center (21st CCLC) grants for both indicators met and not met. However, the policies and procedures did not address including documentation or reference to the documentation on the actual report itself. The Federal</p>

84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
<p>Programs Monitoring and Support Services' policies and procedures related to monitoring 21st CCLC subrecipients have been revised to be consistent with those for Title I, including a revised report format, which will eliminate the potential for confusion caused by blank data fields for indicators met. In addition, 21st CCLC program monitoring efforts will be tracked utilizing a centralized tracking log that captures many internal steps occurring between the site visit and closure of the monitoring report by subrecipient.</p>	<p>Significant dates the log will capture include, but are not limited to, the date the monitoring site visit occurs, the date supervisory review of the report occurs, the date the final report is issued, the date a response/corrective action is due back to the agency if applicable, the date the response/corrective action is submitted and finally the date the monitoring cycle for each subrecipient is closed. The tracking log will be updated in an ongoing basis throughout the fiscal year. Implementation of the tracking log and revision of existing 21st CCLC program monitoring policies and procedures should significantly reduce the risk of timeliness or incompleteness issues.</p>
<p>Expected date of completion: June 30, 2015</p>	

84.367 IMPROVING TEACHER QUALITY STATE GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-056	Subrecipient Monitoring: Material Weakness	<p data-bbox="519 546 1479 588"><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p data-bbox="519 609 1479 835">The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines. See finding 2014-027 for a description.</p>

84.377 SCHOOL IMPROVEMENT GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-057	Subrecipient Monitoring: Material Weakness	<p data-bbox="537 562 1227 590"><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p data-bbox="537 625 1468 835">The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines. See finding 2014-027 for a description.</p>

84.388 ARRA – SCHOOL IMPROVEMENT GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-058	Subrecipient Monitoring: Material Weakness	<p data-bbox="519 546 1479 588"><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p data-bbox="519 609 1479 837">The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines. See finding 2014-027 for a description.</p>

84.395 ARRA – STATE FISCAL STABILIZATION FUND (SFSF) – RACE-TO-THE-TOP INCENTIVE GRANTS, RECOVERY ACT

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-059	Allowable Costs/ <u>Cost Principles:</u> Material Weakness Material Noncompliance	<p data-bbox="532 590 1122 621"><u>Documentation Did Not Support Salary Payments</u></p> <p data-bbox="532 653 1500 779">The Department did not have adequate documentation to show that temporary and contract employees' salaries charged to the Race to the Top grant were based on actual time and effort spent working on the grant. Department records indicate that 52 temporary and contract employees worked on the grant.</p> <p data-bbox="532 810 1500 957">The Department did not have time and effort certifications for any of the 52 temporary and contract employees to support that the salaries charged were for work performed on the Race to the Top grant. As a result, the \$1.46 million in temporary and contract employees' salaries could have been improperly charged to the Race to the Top grant.</p> <p data-bbox="532 989 1500 1052">The error occurred because the Department considered temporary and contract employees to be vendors and therefore did not require time and effort reports.</p> <p data-bbox="532 1083 1500 1209">In accordance with Federal Regulations 2 CFR 225, the Department is required to maintain adequate documentation that confirms on an after-the-fact basis that employee compensation charged to federal programs represents a reasonable distribution of employees' actual time and effort worked.</p> <p data-bbox="532 1241 1500 1304"><i>Federal Award Information:</i> Race to the Top: Federal funding period: September 24, 2010 – September 23, 2014 (S395A100069).</p> <p data-bbox="532 1335 1500 1419"><i>Recommendation:</i> The Department should implement procedures to ensure all salaries charged to the Federal grant are supported by approved documentation that reflects work performed for the program.</p> <p data-bbox="532 1451 1500 1879"><i>Agency Response:</i> The Department concurs with the Auditor's finding and recommendations related to documentation to support salary payments. As stated in the Auditor's finding, the Department considered temporary and contract employees as vendors and therefore did not require time and effort reports to be submitted. The Department already has procedures in place to ensure that permanent employees paid from federal funds submit approved time and effort reports. However, the Department will implement procedures that will ensure temporary and contract employees whose salaries are paid from federal funds submit approved time and effort reports for work performed. The procedures will include working with human resource personnel and agency supervisors to ensure that temporary and contract employees who are paid from federal funds are made aware of and provided training in federal time and effort reporting requirements upon initial employment. A review of the temporary and contract employees' list will be performed on a monthly basis in order to determine those</p>

84.395 ARRA – STATE FISCAL STABILIZATION FUND (SFSF) – RACE-TO-THE-TOP INCENTIVE GRANTS, RECOVERY ACT (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Education

N.C. Department of Public Instruction

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>employees who are being paid with federal funds. Also on a monthly basis, Personnel Action Request forms for each of these federally funded temporary and contract employees will be requested from agency human resource personnel. The Department's Personnel Action Request form outlines the employment beginning and ending dates and supervisory information. A tracking system will be developed using names, employment dates, and supervisory data to ensure that temporary and contract employees do not end their employment without submitting the required approved time and effort reports.</p> <p>Implementation of these procedures will be completed during fiscal year 2014-15.</p>
<p>2014-060 Subrecipient Monitoring: Material Weakness</p>	<p><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p>The Department did not report the results of its fiscal monitoring to subrecipients in a timely manner, preventing subrecipients from taking corrective action. Also, the Department did not ensure subrecipients took corrective action on issues noted during fiscal monitoring visits in a timely manner. Fiscal monitoring includes reviewing subrecipients' expenditures to ensure federal funds are used for allowable costs in accordance with approved budgets and program guidelines. See finding 2014-027 for a description.</p>

93.044 SPECIAL PROGRAMS FOR THE AGING—TITLE III, PART B—GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS

III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-061	<u>Reporting:</u> Material Weakness Material Noncompliance	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>The Department filed one Federal Funding Accountability and Transparency Act (FFATA) report nine months late. Subawards totaling \$30.4 million were spent during state fiscal year 2014.</p> <p>As a result, the federal awarding agency and the public did not have timely and accurate notification of subawards issued by the Department. The Federal Funding Accountability and Transparency Act was enacted to inform citizens how federal funds were spent in their communities.</p> <p>While there were initial problems with the federal filing system, once the problems were fixed the Department should have been able to submit the report on time. The Department lacked procedures to ensure FFATA reports were completed timely.</p> <p>The FFATA requires states to report any subawards issued for more than \$25,000 in the federal reporting system by the end of the month following the month the subaward is issued.</p> <p><i>Federal Award Information:</i> This finding affects the Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers federal grant award 14AANCT3SS, Special Programs for the Aging – Title III, Part C – Nutrition Services federal grant award 14AANCT3CM, and Nutrition Services Incentive Program federal grant award 14AANCNSIP for the federal fiscal year ended September 30, 2014.</p> <p><i>Recommendation:</i> The Department should develop and implement procedures to ensure that FFATA reports are prepared accurately and submitted timely.</p> <p><i>Agency Response:</i> The Department has implemented procedures and provided training to ensure that all subawards and contracts subject to the Federal Funding Accountability and Transparency Act (FFATA) are prepared accurately and submitted timely in accordance with federal guidelines.</p> <p>In addition, subsequent notification of the completion of the FFATA reports, including amendments, will be submitted by divisions each month to the Department's Office of the Controller for monitoring purposes. The anticipated completion date is June 30, 2015.</p>

93.045 SPECIAL PROGRAMS FOR THE AGING—TITLE III, PART C—NUTRITION SERVICES**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-062	<u>Reporting:</u> Material Weakness Material Noncompliance	<u>Subaward Obligations Were Not Reported Timely</u> The Department filed one Federal Funding Accountability and Transparency Act (FFATA) report nine months late. Subawards totaling \$30.4 million were spent during state fiscal year 2014. See finding 2014-061 for a description.

93.053 NUTRITION SERVICES INCENTIVE PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-063	<u>Reporting:</u> Material Weakness Material Noncompliance	<u>Subaward Obligations Were Not Reported Timely</u> The Department filed one Federal Funding Accountability and Transparency Act (FFATA) report nine months late. Subawards totaling \$30.4 million were spent during state fiscal year 2014. See finding 2014-061 for a description.

93.074 HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS

III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-064	Matching, Level of Effort, <u>Earmarking:</u> Significant Deficiency	<p data-bbox="532 590 1138 621"><u>Required Level of Service Not Reported Accurately</u></p> <p data-bbox="532 653 1008 684"><i>Public Health Emergency Preparedness</i></p> <p data-bbox="532 716 1474 779">The Department did not identify or report any state funds for maintaining the federally required level of service for the program.</p> <p data-bbox="532 810 1474 873">As a result, the Department could fail to maintain public health security at minimum levels deemed necessary by federal requirements.</p> <p data-bbox="532 905 1474 968">According to the Department, the inaccurate reporting was due to unclear guidance from the federal oversight agency.</p> <p data-bbox="532 999 1474 1146">The Notice of Grant Award requires that the awardee maintain expenditures at a level that is not less than the average level of the preceding two years. Level of service is a requirement for a specified level of expenditures from non-federal sources for specified activities/services to be maintained from period to period.</p> <p data-bbox="532 1178 1474 1335"><i>Federal Award Information:</i> This finding affects Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements federal grant award 5U90TP000538-02 for the fiscal year ended June 30, 2014. This award consists of CFDA 93.069 Public Health Emergency Preparedness.</p> <p data-bbox="532 1367 1474 1461"><i>Recommendation:</i> The Department should implement procedures based on clarified federal guidance to track state fund expenditures to ensure compliance with the required level of service.</p> <p data-bbox="532 1493 1474 1556"><i>Agency Response:</i> The Hospital Preparedness Program (HPP) was not affected by this finding.</p> <p data-bbox="532 1587 1474 1703">The Department implemented procedures on May 9, 2014 to track the maintenance of expenditures for the Public Health Emergency Preparedness program based on federal guidelines as the result of clarifying guidance provided during the federal oversight agency's site visit.</p> <p data-bbox="532 1734 1474 1820">The Department will continue to track, calculate and report the Maintenance Of Funding in subsequent periods to ensure compliance with the required level of service.</p>

93.074 HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-065	<p><u>Reporting:</u></p> <p>Material Weakness</p> <p>Material Noncompliance</p>	<p><u>Subaward Obligations Were Not Reported Timely and Reports Contained Errors</u></p> <p><i>Public Health Emergency Preparedness</i></p> <p>The Department was four months late filing two Federal Funding Accountability and Transparency Act (FFATA) reports. The two reports totaled \$1.6 million and included 20 contracts. However, nine contracts were duplications, resulting in a \$657,775 overstatement. The Department also did not report on 93 additional subawards and contracts totaling \$4.5 million.</p> <p><i>Hospital Preparedness Program</i></p> <p>The Department did not file required FFATA reports for 34 subawards and contracts totaling \$8.3 million.</p> <p>As a result, the federal awarding agency and the public did not have timely and accurate notification of subawards issued by the Department. The Federal Funding Accountability and Transparency Act was enacted to inform citizens how federal funds were spent in their communities.</p> <p>The Department's lack of understanding of the FFATA reporting requirements resulted in an incomplete list of subawards or contracts being filed accurately and timely.</p> <p>The FFATA requires states to report any subawards issued for more than \$25,000 in the federal reporting system by the end of the month following the month the subaward is issued.</p> <p><i>Federal Award Information:</i> This finding affects Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements federal grant award 5U90TP000538-02 for the fiscal year ended June 30, 2014. This award consists of two different programs:</p> <ul style="list-style-type: none"> • CFDA 93.069 Public Health Emergency Preparedness • CFDA 93.889 Hospital Preparedness Program <p><i>Recommendation:</i> The Department should develop and implement procedures to ensure that all subawards and contracts subject to FFATA are prepared accurately and submitted timely.</p>

93.074 HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Agency Response:</i> The Department has implemented procedures and provided training to ensure that all subawards and contracts subject to the Federal Funding Accountability and Transparency Act (FFATA) are prepared accurately and submitted timely in accordance with federal guidelines.</p>
	<p>In addition, subsequent notification of the completion of the FFATA reports, including amendments, will be submitted by divisions each month to the Department's Office of the Controller for monitoring purposes. The anticipated completion date is June 30, 2015.</p>

93.558 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-066	<u>Eligibility:</u> Questioned Cost Finding \$5,972	<p data-bbox="535 556 1218 588"><u>Deficiencies in County Eligibility Determination Processes</u></p> <p data-bbox="535 619 1481 829">County departments of social services offices process applications related to the Temporary Assistance for Needy Families program. Certified Public Accountants performing the county audits tested 1,179 case files and found eligibility documentation deficiencies in 18 (1.5%) cases. The document deficiencies noted by the auditors were related to key eligibility requirements for the program. These files were missing items such as applications, county-participant agreements, and online verification documentation.</p> <p data-bbox="535 861 1481 1071">The auditors identified questioned costs of \$5,972. These errors identify the potential for likely questioned costs to exceed \$10,000 in the program. OMB A-133 Section .510(a)(3) requires auditors to report known questioned costs when likely questioned costs are greater than \$10,000. Even though sample results identified only \$5,972 in questioned costs, if tests were extended to the entire population, questioned costs would likely exceed \$10,000 and could be significant to the program.</p> <p data-bbox="535 1102 1481 1165">The issues identified resulted in at least \$5,972 of service payments for ineligible recipients.</p> <p data-bbox="535 1197 1481 1291">These errors were caused by the county departments of social services offices not effectively monitoring eligibility determinations to ensure that proper supporting documentation was included.</p> <p data-bbox="535 1323 1481 1386">In accordance with 42 USC 601, recipients are only eligible if they meet the requirements of a financially needy family with children.</p> <p data-bbox="535 1417 1266 1449">Similar aspects of the finding were reported in previous years.</p> <p data-bbox="535 1480 1481 1575"><i>Federal Award Information:</i> This finding affects the Temporary Assistance for Needy Families federal grant awards 1302NCTANF and 1402NCTANF for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p data-bbox="535 1606 1481 1701"><i>Recommendation:</i> The Department should monitor to ensure eligibility determinations are completed accurately and supporting documentation is maintained in case files.</p> <p data-bbox="535 1732 1481 1881"><i>Agency Response:</i> The Department notes two observations regarding the auditors' findings. First, it appears that the auditors aggregated the test results of work performed by several CPA firms who were contracted individually to evaluate the compliance and control environments within all county-operated programs across the state but failed to take into consideration the disparate</p>

93.558 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>control environments within each county, as well as the disparate populations of the counties, which would have compelled the auditors to stratify their sample to be truly representative of the population. In addition, the auditors assertion that the errors detected likely would result in questioned costs exceeding \$10,000 and could be significant to the program is not supported by the fact that the error rate (1.5%) is well below the minimum threshold to justify the extrapolation of results.</p> <p>The Department will continue to monitor the county departments of social services. Monitoring visits are scheduled based on the caseload size of each county. Large counties are reviewed annually, whereas medium and small counties are monitored at least once every three years.</p> <p>The Department will review case-specific information relating to each finding from the county departments of social services audits and require the relevant counties to implement corrective action plans to address all reported issues to ensure compliance. The anticipated completion date for this special case file review is May 30, 2015.</p> <p><i>Auditor Response:</i> The Department's assertion that the Office of the State Auditor (OSA) cannot draw the stated conclusions is incorrect. Specifically:</p> <p>The audit methodology used by the OSA and county Certified Public Accountants (CPAs) speaks to the disparate control environment and populations at each county. The CPAs, who were performing the county's annual audit of federal expenditures, perform audits of the eligibility function under agreement with the OSA. Samples and sample sizes for each county are based on a risk assessment, which takes into account the control environment.</p> <p>Further, the Department is confusing the criteria for reporting findings and questioned costs with the thresholds used by federal agencies to seek reimbursement or other sanctions. The federal requirement for reporting questioned costs is based on the effect of the errors found as a result of tests performed on the population. If the errors detected are \$10,000 or more or indicate errors of \$10,000 or more exist in the population, the errors are required to be reported. The evidence obtained through the tests performed provided sufficient evidence that known or likely errors of \$10,000 or more existed in the population.</p> <p>Findings and questioned costs, as reported by auditors, are used by the federal agencies to determine whether to pursue the magnitude of the errors. Once the federal agency decides to perform their own audit/investigation,</p>

93.558 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
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different thresholds are used than those required by auditors performing OMB Circular A-133 Single Audits.

93.659 ADOPTION ASSISTANCE – TITLE IV-E**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-067	<u>Eligibility:</u> Questioned Cost Finding \$62,181	<p data-bbox="519 556 1218 588"><u>Deficiencies in County Eligibility Determination Processes</u></p> <p data-bbox="519 619 1479 829">County departments of social services offices process applications related to the Adoption Assistance Title IV-E program. Certified Public Accountants performing the county audits tested 393 case files and found eligibility documentation deficiencies in 14 (4%) cases. The auditors identified questioned costs of \$62,181. Even though sample results identified only \$62,181 in questioned costs, if tests were extended to the entire population, questioned costs could be significant to the program.</p> <p data-bbox="519 861 1479 1018">The document deficiencies noted by the auditors were related to key eligibility requirements for the program. These files were missing items such as a county-participant agreement, yearly notice forms, and background check documentation. Files also contained information discrepancies between filed forms.</p> <p data-bbox="519 1050 1479 1113">The issues identified resulted in at least \$62,181 of service payments for ineligible recipients.</p> <p data-bbox="519 1144 1479 1228">These errors were caused by the county departments of social services offices not effectively monitoring eligibility determinations to ensure that proper supporting documentation was included.</p> <p data-bbox="519 1260 1479 1354">In accordance with 42 USC 675, a signed and dated adoption agreement must be completed to document the type of services and amount of the subsidy prior to the receipt of adoption assistance funding.</p> <p data-bbox="519 1386 1266 1417">Similar aspects of the finding were reported in previous years.</p> <p data-bbox="519 1449 1479 1543"><i>Federal Award Information:</i> This finding affects the Adoption Assistance Title IV-E federal grant awards 1301NC1407 and 1401NC1407 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p data-bbox="519 1575 1479 1669"><i>Recommendation:</i> The Department should monitor to ensure eligibility determinations are completed accurately and supporting documentation is maintained in case files.</p> <p data-bbox="519 1701 1479 1881"><i>Agency Response:</i> The Department notes two observations regarding the auditors' findings. First, it appears that the auditors aggregated the test results of work performed by several CPA firms who were contracted individually to evaluate the compliance and control environments within all county-operated programs across the state but failed to take into consideration the disparate control environments within each county, as well as the disparate populations</p>

93.659 ADOPTION ASSISTANCE – TITLE IV-E (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
<p>of the counties, which would have compelled the auditors to stratify their sample to be truly representative of the population. In addition, the auditors' assertion that the errors detected likely would result in questioned costs being significant to the program is not supported by the fact that the error rate (4%) is below the minimum threshold to justify the extrapolation of results.</p>	<p>The Department continues to provide semi-annual training and ongoing technical assistance to the county departments of social services related to the eligibility determination for Title IV-E Adoption Assistance. The Department will review and modify the current curriculum to emphasize the key aspects identified during the audit. Upon modification of the training curriculum, the training will also be recorded and made available online for "on-demand" use by county staff. The anticipated completion date is June 30, 2015.</p>
<p><i>Auditor Response:</i> The Department's assertion that the Office of the State Auditor (OSA) cannot draw the stated conclusions is incorrect. Specifically:</p>	<p>The audit methodology used by the OSA and county Certified Public Accountants (CPAs) speaks to the disparate control environment and populations at each county. The CPAs, who were performing the county's annual audit of federal expenditures, perform audits of the eligibility function under agreement with the OSA. Samples and sample sizes for each county are based on a risk assessment, which takes into account the control environment.</p>
<p>Further, the Department is confusing the criteria for reporting findings and questioned costs with the thresholds used by federal agencies to seek reimbursement or other sanctions. The federal requirement for reporting questioned costs is based on the effect of the errors found as a result of tests performed on the population. If the errors detected are \$10,000 or more or indicate errors of \$10,000 or more exist in the population, the errors are required to be reported. The evidence obtained through the tests performed provided sufficient evidence that known or likely errors of \$10,000 or more existed in the population.</p>	<p>Findings and questioned costs, as reported by auditors, are used by the federal agencies to determine whether to pursue the magnitude of the errors. Once the federal agency decides to perform their own audit/investigation, different thresholds are used than those required by auditors performing OMB Circular A-133 Single Audits.</p>

93.659 ADOPTION ASSISTANCE – TITLE IV-E (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-068	Subrecipient <u>Monitoring:</u> Significant Deficiency	<p data-bbox="537 562 1203 590"><u>Monitoring of Child Abuse Registry Not Being Performed</u></p> <p data-bbox="537 625 1474 804">The Department did not monitor that the child abuse registry was checked before a child was placed for adoption. The Department has the responsibility to monitor the county to ensure adoption placements at the county are occurring within federal guidelines. Each county has the responsibility to ensure a safe environment for children placed for adoption that are in the custody of the State.</p> <p data-bbox="537 842 1276 869">As a result, children could be placed in an unsafe environment.</p> <p data-bbox="537 905 1474 1024">The monitoring tool used by the Department omitted the federal requirement to check the child abuse and neglect statewide registry. According to the Department, they assumed the check was being performed at the same time another state agency performed the criminal background check.</p> <p data-bbox="537 1060 1474 1180">In accordance with 42 USC 671, the state shall check any child abuse and neglect registry maintained by the state for information before the prospective parent or any other adult living in the home may be finally approved for placement of a child.</p> <p data-bbox="537 1215 1474 1304"><i>Federal Award Information:</i> This finding affects the Adoption Assistance Title IV-E federal grant awards 1301NC1407 and 1401NC1407 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p data-bbox="537 1339 1474 1394"><i>Recommendation:</i> The Department should ensure that counties are performing a check of the child abuse and neglect statewide registry.</p> <p data-bbox="537 1430 1474 1789"><i>Agency Response:</i> The Department's monitoring of county departments of social services Title IV-E Adoption Assistance eligibility does check to ensure that an extensive national criminal background check has been completed. The Responsible Individuals List (RIL) was implemented in October 2013, during the audit period. The RIL is used to identify parents, guardians, caretakers, or custodians that have been named as responsible individuals in all substantiated cases of abuse and/or serious neglect. The Department conducts monitoring of Title IV-E Adoption Assistance by utilizing a structured paper form as a monitoring tool. The monitoring tool will be revised to include an indicator field for the state program monitor to complete and verify that the RIL check has been performed and the date on which the name check was verified. The anticipated date to begin using the revised tool is April 1, 2015.</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-069	<p data-bbox="308 556 503 609"><u>Allowable Costs/ Cost Principles:</u></p> <p data-bbox="341 630 454 682">Material Weakness</p> <p data-bbox="341 703 503 756">Material Noncompliance</p> <p data-bbox="341 777 503 871">Questioned Cost Finding \$186</p>	<p data-bbox="535 556 1481 588"><u>Errors in Children's Health Insurance Provider Billing and Payment Process</u></p> <p data-bbox="535 619 1481 745">The Department processed over 10 million payments for services totaling over \$413 million during state fiscal year 2014. Sixteen claims of a sample of 126 (13%) tested had errors. The total errors identified resulted in net overpayments of \$245 and federal questioned costs of \$186.</p> <p data-bbox="535 777 1481 934">OMB A-133 Section .510(a)(3) requires auditors to report known questioned costs when likely questioned costs are greater than \$10,000. Even though sample results identified only \$186 in questioned costs, if tests were extended to the entire population, questioned costs would likely exceed \$10,000 and could be material to the program.</p> <p data-bbox="535 955 1481 1018">Three of the erroneous claims were related to no documentation provided to support the claim and represents \$111 (45%) of the overpayments.</p> <p data-bbox="535 1050 1481 1081">The remaining 13 errors contained the following types of errors:</p> <ul data-bbox="584 1113 1481 1501" style="list-style-type: none"> <li data-bbox="584 1113 1481 1207">• Application of payment methodology that was inconsistent with the effective North Carolina Children's Health Insurance Program State Plan or policies. <li data-bbox="584 1239 1481 1302">• Documentation provided was insufficient or improper support for the services rendered. <li data-bbox="584 1333 1481 1396">• Claims impacted by retroactive rate changes were not voided and replaced prior to the end of the fiscal year. <li data-bbox="584 1428 1481 1501">• The payment of an ineligible recipient based on eligibility category documented in the claims processing system (NCTracks). <p data-bbox="535 1522 1481 1617">As a result, the Department made at least \$245 of improper payments of program funds for erroneous claims that could have been used to fund additional claims or reduce the overall cost of the program.</p> <p data-bbox="535 1648 1481 1860">A significant portion of these errors were caused by providers not submitting necessary documentation or submitting inaccurate data upon request. Because industry practices do not require documentation prior to payment, providers do not have an incentive to respond timely and accurately. The Department is unable to sanction providers for lack of submission as they lack legislative authority to do so. They instead must rely on the hearing process which is costly in both time and funding to the program.</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>Other errors were the result of timing issues concerning state legislation mandated rate changes that must be approved by the federal oversight agency prior to implementation.</p> <p>In accordance with the 42 CFR 431, providers sign an agreement to participate in the program that requires them to maintain records disclosing the extent of services furnished to recipients and, on request, furnish the records to the Department.</p> <p>OMB Circular A-87 dictates standards for determining allowable costs for federal awards. The principles specifically require costs to be adequately documented, authorized by and consistent with regulations, in conformity with conditions of the federal award, necessary, and reasonable.</p> <p>Similar aspects of the finding were reported in previous years.</p> <p><i>Federal Award Information:</i> This finding affects the Children's Health Insurance Program federal grant awards 05-1305NC5021 and 05-1405NC5021 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendations:</i> The Department should continue to enhance its control procedures to improve the accuracy of the claims payment process:</p> <ul style="list-style-type: none"> • Management should ensure the proper and timely implementation of system changes, including effective payment edits and/or audits. • Emphasis should be placed on educating providers as to proper coding and documentation standards necessary to support the medical services being provided. • Updated legislation should be considered to empower the Department with the ability to sanction unresponsive providers. • Identified over and underpaid claims should be followed up for timely and appropriate collection or payment. <p><i>Agency Response:</i> The Department has established and adheres to control procedures that ensure the proper implementation of system changes and accuracy of claims payments.</p> <p>The Department will continue to educate providers about proper documentation required to support the medical necessity and proper coding of</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-070	<p>services billed to the Children's Health Insurance Program (CHIP). The Department provides ongoing communications via Medicaid Bulletins and other communication venues.</p> <p>The timeliness of the Department's implementation of legislatively mandated rate changes may be impacted by many factors that are not determined by the Department, e.g., the effective date of the rate change specified in the legislation, the date the rate change is approved by the federal oversight agency, etc. These factors may impact the Department's ability to make such rate changes prior to the end of the fiscal year in which it is effective.</p> <p>The Department will review the sixteen (16) claim errors cited to determine which errors may be resolved by requiring additional documentation from the providers. Appropriate collection or payment will be made as necessary. The anticipated completion date is June 30, 2015.</p>
<p>Allowable Costs/ Cost Principles:</p> <p>Significant Deficiency</p> <p>Questioned Cost Finding</p> <p>\$21,538</p>	<p><u>Deficiencies with the Rate Change Process</u></p> <p>Nineteen rate changes from a sample of 60 (32%) lacked proper supporting documentation to evidence the Department's timely review of the modification in the claims processing system (NCTracks).</p> <p>Additional testing procedures identified the following errors:</p> <ul style="list-style-type: none"> • One rate modification was implemented prior to federal oversight agency approval and resulted in a net overpayment of \$20,125, and \$15,305 in questioned cost. • One rate modification was not implemented as required by Session Law (SL) 2013-360 and resulted in a net overpayment of \$8,196, and \$6,233 in questioned cost. <p>The funds that paid improper payments could have been used for additional claims or to reduce the overall cost of the program.</p> <p>The Department relied on documentation from the claims processing contractor instead of independently verifying the rate modifications in NCTracks. The overpayment errors were the result of timing issues for state legislation rate changes that must be approved by the federal oversight agency prior to implementation.</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
 N.C. Department of Health and Human Services
 For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-071	<p data-bbox="310 1241 488 1293"><u>Allowable Costs/ Cost Principles:</u></p> <p data-bbox="342 1310 456 1367">Significant Deficiency</p> <p data-bbox="537 1241 1154 1272"><u>Deficiencies in NCTracks Program Change Controls</u></p> <p data-bbox="537 1304 1468 1392">The Department lacked formal business user approval documentation for three program modification requests tested from a population of 12 completed during state fiscal year 2014.</p> <p data-bbox="537 1430 1468 1486">Improper program changes could result in improper payments increasing the overall cost of the program.</p> <p data-bbox="537 1524 1468 1612">When the Department converted to the new claims processing system (NCTracks) documented approval by the business user was not fully implemented.</p> <p data-bbox="537 1650 1468 1738">Section BAI07 of the Cobit5 Manage Change Acceptance and Transitioning requires acceptance testing meets stakeholder approval and takes into account all aspects of the implementation and conversion plans.</p> <p data-bbox="537 1776 1468 1885"><i>Federal Award Information:</i> This finding affects the Children's Health Insurance Program federal grant awards 05-1305NC5021 and 05-1405NC5021 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-072	<p data-bbox="310 961 488 1016"><u>Allowable Costs/ Cost Principles:</u></p> <p data-bbox="342 1031 456 1085">Significant Deficiency</p> <p data-bbox="537 961 1281 993"><u>Deficiencies in Provider Enrollment and Termination Processes</u></p> <p data-bbox="537 1024 1468 1115">The Department contracts with a service provider to perform enrollment, credentialing, and verification activities for provider participation in the Children's Health Insurance Program.</p> <p data-bbox="537 1146 1468 1207">Twenty enrollment and re-enrollment applications tested from a sample of 70 (29%) identified errors including:</p> <ul data-bbox="586 1241 1468 1682" style="list-style-type: none"> <li data-bbox="586 1241 1468 1360">• No evidence that an accreditation check, background check, Office of Inspector General search, and/or North Carolina penalty search was conducted for owners, office administrators, and/or managing employees. <li data-bbox="586 1398 1468 1459">• No evidence that out-of-state/border providers were verified as eligible in their home states. <li data-bbox="586 1497 1468 1587">• Verifications performed included typographical errors. For example, searches were performed using incorrect social security numbers or misspelled names. <li data-bbox="586 1625 1468 1682">• Provider license number and/or name were incorrect in the claims processing system (NCTracks). <p data-bbox="537 1713 1260 1745">Some enrollment applications include multiple types of errors.</p> <p data-bbox="537 1776 1468 1831">Twenty-two of 85 (26%) providers with licenses suspended, surrendered, or revoked were not properly terminated in NCTracks.</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

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Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>As a result, there is increased risk of payments to ineligible providers.</p> <p>The Department did not have adequate monitoring procedures in place to ensure that the contractor was performing as contracted and delivering expected results.</p> <p>In accordance with 42 CFR 455, the state agency must confirm the identity and determine the exclusion status of providers and any person with an ownership or control interest or who is an agent or managing employee of the provider through routine checks of federal databases. The state agency must also have a method for verifying providers' licenses and confirm that they have not expired or have no current limitations.</p> <p><i>Federal Award Information:</i> This finding affects the Children's Health Insurance Program federal grant awards 05-1305NC5021 and 05-1405NC5021 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendation:</i> The Department should develop and implement monitoring procedures over provider enrollment and termination processes to ensure that payments are made only to eligible medical providers.</p> <p><i>Agency Response:</i> The Department has processes in place to monitor provider eligibility. The Department's Division of Medical Assistance (DMA) Provider Services' staff routinely reviews enrollments, re-enrollments, terminations, and changes to enrollment as a result of provider phone calls, managerial referrals, and inquiries from the service provider and provides instruction to the service provider of necessary corrective action via NL's (non-live interaction forms) and numbered memos as necessary as a result of the routine review.</p> <p>In September 2013, the Department implemented a new monitoring plan. The Department has updated the existing monitoring tool that is being tested by the Department's monitors of the service provider. The tool will be adequately tested and fully implemented by April 15, 2015.</p> <p>The Department is also working with the service provider on developing a quality assurance process to be performed by the service provider enrollment coordinators prior to enrolling providers to ensure enrollment accuracy. The anticipated completion date is June 30, 2015.</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

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	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-073	<u>Allowable Costs/ Cost Principles:</u> Significant Deficiency	<p data-bbox="537 562 1068 590"><u>Deficiencies with Program Integrity Functions</u></p> <p data-bbox="537 625 1474 716">The Department failed to ensure all required program integrity investigations were completed. Multiple deficiencies were noted in the tracking of program integrity investigations, including:</p> <ul data-bbox="586 751 1474 905" style="list-style-type: none"> <li data-bbox="586 751 1474 810">• Inadequate procedures to ensure case tracking data is accurate and reliable <li data-bbox="586 846 1474 905">• Inadequate procedures to track monitoring efforts over a contractor performing investigations <p data-bbox="537 940 1474 999">As a result, provider fraud could remain undetected and noncompliant providers could continue to receive payments.</p> <p data-bbox="537 1035 1474 1188">The Department's tracking database has multiple users with unlimited access, making it difficult to control the accuracy of data. In addition, there is no mechanism to ensure the investigations were properly closed. Also, multiple program integrity sections review contractor performance with no consolidation to ensure all necessary reviews were completed.</p> <p data-bbox="537 1224 1474 1335">In accordance with OMB Circular A-133 section .210(f), the state agency is responsible for ensuring compliance for vendor transactions which are structured such that the vendor is responsible for program compliance or the vendor's records must be reviewed to determine program compliance.</p> <p data-bbox="537 1371 1474 1493"><i>Federal Award Information:</i> This finding affects the Children's Health Insurance Program federal grant awards 05-1305NC5021 and 05-1405NC5021 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p data-bbox="537 1528 1474 1587"><i>Recommendations:</i> The Department should create policies and procedures to ensure investigation tracking data is accurate and reliable.</p> <p data-bbox="537 1623 1474 1682">The Department should develop policies and procedures to adequately monitor contractor performance.</p> <p data-bbox="537 1717 1474 1797"><i>Agency Response:</i> The Department began utilizing a new program integrity case tracking database in May of 2014. The database will be fully functional to meet Program Integrity's case tracking needs by June 30, 2015.</p> <p data-bbox="537 1833 1474 1892">The Department updated its policies and procedures to adequately monitor contractor performance in Fall 2014.</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-074	<u>Eligibility:</u> Questioned Cost Finding	<p data-bbox="537 562 1214 590"><u>Deficiencies in County Eligibility Determination Processes</u></p> <p data-bbox="537 625 1468 804">County departments of social services offices process applications related to the Children's Health Insurance Program. Certified Public Accountants performing the county audits tested 1,244 case files and found eligibility documentation deficiencies in 21 (1.7%) cases. The document deficiencies noted by the auditors were related to key eligibility requirements for the program. The deficiencies found are described below:</p> <ul data-bbox="586 842 1468 1182" style="list-style-type: none"> <li data-bbox="586 842 1468 961">• Fourteen client files did not contain all the required eligibility and budget documentation. These files were missing items to support the budget, verification of required data matches, and budget verification forms. <li data-bbox="586 999 1468 1056">• Six client files were missing or contained inaccurate budget calculations. <li data-bbox="586 1094 1468 1182">• One client file did not indicate the correct certification period; therefore, the recipient would be ineligible for the duration of the incorrect period. <p data-bbox="537 1220 1468 1423">There were no questioned costs identified by the auditors; however, these errors identify the potential for questioned costs exceeding \$10,000 for the program. OMB A-133 Section .510(a)(3) requires auditors to report known questioned costs when likely questioned costs are greater than \$10,000. Even though sample results identified no questioned costs, if tests were extended to the entire population, questioned costs would likely exceed \$10,000 and could be significant to the program.</p> <p data-bbox="537 1461 1442 1493">The issues identified could result in service payments for ineligible recipients.</p> <p data-bbox="537 1524 1468 1612">These errors were caused by the county departments of social services offices not effectively monitoring eligibility determinations to ensure that proper supporting documentation was included.</p> <p data-bbox="537 1650 1468 1738">In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards and documentation must be maintained to support eligibility decisions.</p> <p data-bbox="537 1776 1268 1808">Similar aspects of this finding were reported in previous years.</p> <p data-bbox="537 1839 1468 1890"><i>Federal Award Information:</i> This finding affects the Children's Health Insurance Program federal grant awards 05-1305NC5021 and</p>

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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Type of Finding/ Questioned Costs	Findings and Recommendations
	05-1405NC5021 for the federal fiscal years ended September 30, 2013, and 2014, respectively.
	<i>Recommendation:</i> The Department should monitor to ensure eligibility determinations are completed accurately and supporting documentation is maintained in case files.
	<i>Agency Response:</i> The Department notes two observations regarding the auditors' findings. First, it appears that the auditors aggregated the test results of work performed by several CPA firms who were contracted individually to evaluate the compliance and control environments within all county-operated programs across the state but failed to take into consideration the disparate control environments within each county, as well as the disparate populations of the counties, which would have compelled the auditors to stratify their sample to be truly representative of the population. In addition, the auditors' assertion that the errors detected likely would result in questioned costs exceeding \$10,000 and could be significant for the program are not supported by the fact that no questioned costs are identified and the error rate (1.7%) is well below the minimum threshold to justify the extrapolation of results.
	The Department will continue to provide training to the county departments of social services. Additional guidance and instructions will be provided on the proper utilization of the eligibility manuals in determining the supporting documentation to retain in case files. The Department will conduct onsite county departments of social services reviews and visits to ensure compliance. The Department will also conduct periodic targeted record reviews as needed. The anticipated completion date is June 30, 2015.
	<i>Auditor Response:</i> The Department's assertion that the Office of the State Auditor (OSA) cannot draw the stated conclusions is incorrect. Specifically:
	The audit methodology used by the OSA and county Certified Public Accountants (CPAs) speaks to the disparate control environment and populations at each county. The CPAs, who were performing the county's annual audit of federal expenditures, perform audits of the eligibility function under agreement with the OSA. Samples and sample sizes for each county are based on a risk assessment, which takes into account the control environment.
	Further, the Department is confusing the criteria for reporting findings and questioned costs with the thresholds used by federal agencies to seek reimbursement or other sanctions. The federal requirement for reporting questioned costs is based on the effect of the errors found as a result of tests

93.767 CHILDREN'S HEALTH INSURANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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Type of Finding/ Questioned Costs	Findings and Recommendations
<p>performed on the population. If the errors detected are \$10,000 or more or indicate errors of \$10,000 or more exist in the population, the errors are required to be reported. The evidence obtained through the tests performed provided sufficient evidence that known or likely errors of \$10,000 or more existed in the population.</p>	<p>Findings and questioned costs, as reported by auditors, are used by the federal agencies to determine whether to pursue the magnitude of the errors. Once the federal agency decides to perform their own audit/investigation, different thresholds are used than those required by auditors performing OMB Circular A-133 Single Audits.</p>

93.778 MEDICAL ASSISTANCE PROGRAM**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

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For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-075	Allowable Costs/ <u>Cost Principles:</u> Material Weakness Material Noncompliance Questioned Cost Finding \$303,169	<p data-bbox="532 562 1203 590"><u>Errors in Medicaid Provider Billing and Payment Process</u></p> <p data-bbox="532 625 1468 835">The Department processed over 119 million payments for services totaling over \$10 billion during state fiscal year 2014. Sixty-six claims of a sample of 272 (24%) tested had errors. The total errors identified resulted in net overpayments of \$464,942 and federal questioned costs of \$303,169. Even though sample results identified only \$303,169 in questioned costs, if tests were extended to the entire population, questioned costs could be material to the program.</p> <p data-bbox="532 869 1468 930">Seventeen errors of the 66 were related to no documentation provided to support the claim and represents \$456,612 (98%) of the overpayments.</p> <p data-bbox="532 963 1443 993">Other types of provider errors identified in 23 of the sampled claims included:</p> <ul data-bbox="583 1026 1468 1245" style="list-style-type: none"> • Documentation provided did not meet the requirements set forth by North Carolina Medicaid policy. • Claims were not properly billed. • Documentation provided was insufficient or improper support for the services rendered. <p data-bbox="532 1278 1430 1308">The Department was also responsible for 22 of the following types of errors:</p> <ul data-bbox="583 1341 1468 1623" style="list-style-type: none"> • Application of payment methodology that was inconsistent with the effective North Carolina Medicaid State Plan or policies. • Claims impacted by retroactive rate changes were not voided and replaced prior to the end of the fiscal year. • Third party insurer data was not properly maintained causing the claims processing system (NCTracks) to process a recipient's claim without considering the potential other payer. <p data-bbox="532 1656 1468 1717">The remaining four erroneous claims were a combination of the errors listed above and were caused by both providers and the Department.</p> <p data-bbox="532 1751 1468 1837">As a result, the Department made at least \$464,942 of improper payments of Medicaid funds for erroneous claims that could have been used to fund additional claims or reduce the overall cost of the program.</p>

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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	<p>A significant portion of these errors were caused by providers not submitting necessary documentation or submitting inaccurate data upon request. Because industry practices do not require documentation prior to payment, providers do not have an incentive to respond timely and accurately. The Department is unable to sanction providers for lack of submission as they lack legislative authority to do so. They instead must rely on the hearing process which is costly in both time and funding to the program.</p> <p>Other errors were the result of timing issues concerning state legislation mandated rate changes that must be approved by the federal oversight agency prior to implementation costing additional administrative funds to reprocess claims.</p> <p>In accordance with the 42 CFR 431, Medicaid providers sign an agreement to participate in the program that requires them to maintain records disclosing the extent of services furnished to recipients and, on request, furnish the records to the Department.</p> <p>OMB Circular A-87 requires costs to be adequately documented, authorized by and consistent with regulations, in conformity with conditions of the federal award, necessary, and reasonable.</p> <p>Similar aspects of the finding were reported in previous years.</p> <p><i>Federal Award Information:</i> This finding affects the Medical Assistance Program federal grant awards 05-1305NC5MAP and 05-1405NC5MAP for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendations:</i> The Department should continue to enhance its control procedures to improve the accuracy of the claims payment process:</p> <ul style="list-style-type: none"> • Management should ensure the proper and timely implementation of system changes, including effective payment edits and/or audits. • Emphasis should be placed on educating providers as to proper coding and documentation standards necessary to support the medical services being provided. • Updated legislation should be considered to empower the Department with the ability to sanction unresponsive providers. • Identified over and underpaid claims should be followed up for timely and appropriate collection or payment.

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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2014-076	<p data-bbox="313 1236 488 1289"><u>Allowable Costs/ Cost Principles:</u></p> <p data-bbox="342 1308 456 1360">Significant Deficiency</p> <p data-bbox="342 1379 477 1432">Questioned Cost Finding</p> <p data-bbox="342 1451 461 1476">\$8,629,597</p> <p data-bbox="537 1236 1360 1266"><u>Medicaid Disproportionate Share Hospital Payments Made Incorrectly</u></p> <p data-bbox="537 1299 1468 1388">The Department made inaccurate Medicaid disproportionate share hospital payments. These payments provide financial assistance to hospitals that serve a large number of low-income patients.</p> <p data-bbox="537 1423 971 1453">Multiple errors were noted, including:</p> <ul data-bbox="586 1488 1468 1837" style="list-style-type: none"> <li data-bbox="586 1488 1105 1518">• Data entry errors in the payment models <li data-bbox="586 1554 1425 1583">• Failure to use prior payments in the calculation of current payments <li data-bbox="586 1619 1468 1671">• Incorrectly including specific providers and/or provider types in calculations <li data-bbox="586 1707 1468 1759">• Failure to incorporate an adjustment in the allotment amount used in a calculation model <li data-bbox="586 1795 1398 1824">• Use of incorrect information within a model to calculate payments

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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	<ul style="list-style-type: none"> • Inclusion of ineligible providers in some payment calculations • Failure to follow developed methodologies when calculating payment amounts • Payment type for one provider was incorrect • Inaccurate use of the federal medical assistance percentage <p>Some payments include multiple types of errors. The total errors identified resulted in a net overpayment of \$12,898,388 from the total paid of \$2,706,328,287 (.47%), resulting in federal questioned costs of \$8,629,597.</p> <p>As a result, the Department made \$12,898,388 improper payments of Medicaid funds that could have been used to reduce the overall cost of the program.</p> <p>The complex, manual nature of the calculations increases the likelihood of payment errors. According to the Department, there was a misunderstanding about which federal medical assistance percentage to apply.</p> <p>OMB Circular A-87 requires that costs be necessary and reasonable for proper and efficient administration of the grant program and adequately documented.</p> <p>Similar aspects of this finding were reported in the prior year.</p> <p><i>Federal Award Information:</i> This finding affects the Medical Assistance Program federal grant awards 05-1305NC5MAP and 05-1405NC5MAP for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendation:</i> The Department should develop policies and procedures to ensure that payments are made accurately, rely on correct information, and apply the correct federal medical assistance percentage.</p> <p><i>Agency Response:</i> The MRI/GAP payment model is based upon a federal fiscal year; so therefore, the audit period covered the first three quarters of the FFY 2014 payment model and the last quarter of the previous FFY 2013 model. For the FFY 2014 payment model, the audit of the payment model is based on the model in draft form and the auditor's review did not include the resolution of issues that occurred with the fourth quarter payments.</p>

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2014-077	<p data-bbox="537 562 1468 716">In fact, the Department corrected data errors, payment calculations, and changes to hospital classification and status in the fourth quarter of the FFY 2014 payment model. Overpayments from the FFY 2013 fourth quarter payment model have been collected. The federal share has been returned to CMS via the CMS 64 quarterly report.</p> <p data-bbox="537 747 1468 930">The Department also implemented policies and procedures to ensure that payments are made accurately, rely on correct information, and apply the correct federal medical assistance percentage. Payment memos are sent to the Department's Division of Medical Assistance (DMA) Budget Office for coding verification to draw the appropriate federal medical assistance percentages. Upon confirmation, the memos are sent for approval.</p> <p data-bbox="537 961 1468 1115"><i>Auditor Response:</i> As stated in the Department's response, audit procedures were performed for the state fiscal year that encompasses July 1, 2013 through June 30, 2014. All corrective transactions reported by the Department occurred after the end of the audit period. Auditors will review the corrective actions in the subsequent audit.</p> <p data-bbox="537 1178 1049 1203"><u>Deficiencies with the Rate Change Process</u></p> <p data-bbox="537 1241 1468 1329">Nineteen rate changes from a sample of 60 (32%) lacked adequate documentation to support the Department's timely review of modifications to the claims processing system (NCTracks).</p> <p data-bbox="537 1360 1070 1386">Additional tests identified the following errors:</p> <ul data-bbox="586 1430 1468 1644" style="list-style-type: none"> <li data-bbox="586 1430 1468 1518">• One rate modification was implemented prior to federal oversight agency approval and resulted in a net overpayment of \$575,235, and \$380,545 in questioned cost. <li data-bbox="586 1556 1468 1644">• One rate modification was not implemented as required by Session Law (SL) 2013-360 and resulted in a net overpayment of \$150,773, and \$99,816 in questioned cost. <p data-bbox="537 1675 1468 1734">The funds that paid improper payments could have been used for additional claims or to reduce the overall cost of the program.</p> <p data-bbox="537 1770 1468 1856">The Department relied on documentation from the claims processing contractor instead of independently verifying the rate modifications in NCTracks. The overpayment errors were the result of timing issues for state</p>
<p data-bbox="311 1178 488 1230"><u>Allowable Costs/ Cost Principles:</u></p> <p data-bbox="344 1251 456 1304">Significant Deficiency</p> <p data-bbox="344 1325 480 1377">Questioned Cost Finding</p> <p data-bbox="344 1388 440 1413">\$480,361</p>	

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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2014-078	<p data-bbox="310 1304 488 1356"><u>Allowable Costs/ Cost Principles:</u></p> <p data-bbox="342 1373 456 1430">Significant Deficiency</p> <p data-bbox="537 1304 1154 1335"><u>Deficiencies in NCTracks Program Change Controls</u></p> <p data-bbox="537 1360 1468 1451">The Department lacked formal business user approval documentation for three program modification requests tested from a population of 12 completed during state fiscal year 2014.</p> <p data-bbox="537 1482 1468 1539">Improper program changes could result in improper payments increasing the overall cost of the program.</p> <p data-bbox="537 1570 1468 1661">When the Department converted to the new claims processing system (NCTracks) documented approval by the business user was not fully implemented.</p> <p data-bbox="537 1692 1468 1782">Section BAI07 of the Cobit5 Manage Change Acceptance and Transitioning requires acceptance testing meets stakeholder approval and takes into account all aspects of the implementation and conversion plans.</p> <p data-bbox="537 1814 1468 1890"><i>Federal Award Information:</i> This finding affects the Medical Assistance Program federal grant awards 05-1305NC5MAP and 05-1405NC5MAP for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p>

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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2014-079	<p><i>Recommendation:</i> The Department should ensure that formal approval policies and procedures are adequate and operating for all program changes.</p>
<u>Eligibility:</u>	<p><i>Agency Response:</i> The Department has implemented more formal approval processes for NCTracks and will review these processes, make any necessary modifications to ensure that formal business user approval documentation is maintained, and communicate appropriate information to the business stakeholders by May 1, 2015. The Department will also periodically review system changes to ensure compliance with established policies and procedures, including the retention of formal business user approval documentation.</p>
Questioned Cost Finding \$13,082	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>County departments of social services offices process applications related to the Medicaid Program. Certified Public Accountants performing the county audits tested 5,023 case files and found eligibility documentation deficiencies in 164 (3%) cases. The auditors identified questioned costs of \$13,082. Even though sample results identified only \$13,082 in questioned costs, if tests were extended to the entire population, questioned costs could be significant to the program.</p> <p>The document deficiencies noted by the auditors were related to key eligibility requirements for the program. The deficiencies found are described below:</p> <ul style="list-style-type: none"> • Three client files could not be located. • Fifty-eight client files did not contain all the required eligibility and budget documentation. These case files were missing budget verification forms and verification of medical expenses. • Forty-nine client files did not contain all the required eligibility documentation. These case files were missing signed applications, proof of residency, and online verification documentation. • Thirty client files were missing or contained inaccurate calculations related to the budget. These inaccurate calculations included errors in the computation of income and documentation of wages. • Twenty-four files were ineligible for the entire Medicaid coverage period. The errors pertained to items such as a recipient being incarcerated and not suspended from Medicaid eligibility and a case

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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	<p>file that was not terminated at the end of the approved certification period.</p> <p>The issues identified resulted in at least \$13,082 of service payments for ineligible recipients.</p> <p>These errors were caused by the county departments of social services offices not effectively monitoring eligibility determinations to ensure that proper supporting documentation was included.</p> <p>In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards and documentation must be maintained to support eligibility decisions.</p> <p>Similar aspects of the finding were reported in previous years.</p> <p><i>Federal Award Information:</i> This finding affects the Medical Assistance Payments federal grant awards 05-1305NC5MAP and 05-1405NC5MAP for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendation:</i> The Department should monitor to ensure eligibility determinations are completed accurately and supporting documentation is maintained in case files.</p> <p><i>Agency Response:</i> The Department notes two observations regarding the auditors' findings. First, it appears that the auditors aggregated the test results of work performed by several CPA firms who were contracted individually to evaluate the compliance and control environments within all county-operated programs across the state but failed to take into consideration the disparate control environments within each county, as well as the disparate populations of the counties, which would have compelled the auditors to stratify their sample to be truly representative of the population. In addition, the auditors assertion that the errors detected likely would result in questioned costs that could be significant for the program are not supported by the fact that the error rate (3%) is well below the minimum threshold to justify the extrapolation of results.</p> <p>The Department will continue to provide training to the county departments of social services. Additional guidance and instructions will be provided on the proper utilization of the eligibility manuals in determining the supporting documentation to retain in casefiles. The Department will conduct onsite county departments of social services reviews and visits to ensure</p>

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>compliance. The Department will also conduct periodic targeted record reviews as needed. The anticipated completion date is June 30, 2015.</p> <p>The Department will review questioned costs identified and make the appropriate recoupments. The anticipated completion date is June 30, 2015.</p> <p><i>Auditor Response:</i> The Department's assertion that the Office of the State Auditor (OSA) cannot draw the stated conclusions is incorrect. Specifically:</p> <p>The audit methodology used by the OSA and county Certified Public Accountants (CPAs) speaks to the disparate control environment and populations at each county. The CPAs, who were performing the county's annual audit of federal expenditures, perform audits of the eligibility function under agreement with the OSA. Samples and sample sizes for each county are based on a risk assessment, which takes into account the control environment.</p> <p>Further, the Department is confusing the criteria for reporting findings and questioned costs with the thresholds used by federal agencies to seek reimbursement or other sanctions. The federal requirement for reporting questioned costs is based on the effect of the errors found as a result of tests performed on the population. If the errors detected are \$10,000 or more or indicate errors of \$10,000 or more exist in the population, the errors are required to be reported. The evidence obtained through the tests performed provided sufficient evidence that known or likely errors of \$10,000 or more existed in the population.</p> <p>Findings and questioned costs, as reported by auditors, are used by the federal agencies to determine whether to pursue the magnitude of the errors. Once the federal agency decides to perform their own audit/investigation, different thresholds are used than those required by auditors performing OMB Circular A-133 Single Audits.</p>
2014-080 Special Tests and Provisions: Material Weakness Material Noncompliance	<p><u>Deficiencies in Provider Enrollment and Termination Processes</u></p> <p>The Department contracts with a service provider to perform enrollment, credentialing, and verification activities for provider participation in the Medicaid program.</p> <p>Twenty enrollment and re-enrollment applications tested from a sample of 70 (29%) identified errors including:</p>

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

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For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<ul style="list-style-type: none"> • No evidence that an accreditation check, background check, Office of Inspector General search, and/or North Carolina penalty search was conducted for owners, office administrators, and/or managing employees. • No evidence that out-of-state/border providers were verified as eligible in their home states. • Verifications performed included typographical errors. For example, searches were performed using incorrect social security numbers or misspelled names. • Provider license number and/or name were incorrect in the claims processing system (NCTracks). <p>Some enrollment applications include multiple types of errors.</p> <p>Twenty-two of 85 (26%) providers with licenses suspended, surrendered, or revoked were not properly terminated in NCTracks.</p> <p>As a result, there is increased risk of payments to ineligible providers.</p> <p>The Department did not have adequate monitoring procedures in place to ensure that the contractor was performing as contracted and delivering expected results.</p> <p>In accordance with 42 CFR 455, the state Medicaid agency must confirm the identity and determine the exclusion status of providers and any person with an ownership or control interest or who is an agent or managing employee of the provider through routine checks of federal databases. The state Medicaid agency must also have a method for verifying providers' licenses and confirm that they have not expired or have no current limitations.</p> <p>Similar aspects of the finding were reported in previous years.</p> <p><i>Federal Award Information:</i> This finding affects the Medical Assistance Program federal grant awards 05-1305NC5MAP and 05-1405NC5MAP for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendation:</i> The Department should develop and implement monitoring procedures for provider enrollment and termination processes to ensure that payments are made only to eligible medical providers.</p>

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-081	<p data-bbox="310 1178 505 1230"><u>Special Tests and Provisions:</u></p> <p data-bbox="342 1247 456 1302">Material Weakness</p> <p data-bbox="537 1178 1446 1203"><u>Management Did Not Take Full Corrective Action on Prior Recommendations</u></p> <p data-bbox="537 1241 1468 1329">The Department of Health and Human Services (Department) management did not take full corrective action on prior year audit findings for three major federal programs audited for the current fiscal year ended June 30, 2014.</p> <p data-bbox="537 1362 873 1388">Medical Assistance Program</p> <p data-bbox="537 1425 1468 1577">Deficiencies in Provider Enrollment and Termination Processes – The Department continued to inadequately monitor the contracted service provider to ensure eligible medical providers are enrolled and ineligible providers are terminated from the program. As described in current year finding 2014-080, audit tests indicated an increase in enrollment and termination errors.</p> <p data-bbox="537 1610 1468 1698">Deficiencies with Program Integrity Functions – As described in current year finding 2014-082, the Department continued to inadequately track and review case investigations.</p> <p data-bbox="537 1732 992 1759">See finding 2014-044 for a description.</p>

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-082	Special Tests and Provisions: Significant Deficiency	<p data-bbox="521 562 1068 590"><u>Deficiencies with Program Integrity Functions</u></p> <p data-bbox="521 625 1474 716">The Department failed to ensure all required program integrity investigations were completed. Multiple deficiencies were noted in the tracking of program integrity investigations, including:</p> <ul data-bbox="581 751 1474 1066" style="list-style-type: none"> <li data-bbox="581 751 1474 814">• Inadequate procedures to ensure case tracking data is accurate and reliable. <li data-bbox="581 846 1474 909">• Inadequate procedures to track monitoring efforts over a contractor performing investigations. <li data-bbox="581 940 1474 1066">• Insufficient documentation to substantiate a complete investigation for three of 72 (4%) investigations tested. If tests were extended to the entire population of 2,011 investigations, the results could be significant to the program. <p data-bbox="521 1098 1474 1161">As a result, provider fraud could remain undetected and noncompliant providers could continue to receive payments.</p> <p data-bbox="521 1192 1474 1339">The Department's tracking database has multiple users with unlimited access, making it difficult to control the accuracy of data. In addition, there is no mechanism to ensure the investigations were properly closed. Also, multiple program integrity sections review contractor performance with no consolidation to ensure all necessary reviews were completed.</p> <p data-bbox="521 1371 1474 1497">In accordance with OMB Circular A-133 section .210(f), the state agency is responsible for ensuring compliance for vendor transactions which are structured such that the vendor is responsible for program compliance or the vendor's records must be reviewed to determine program compliance.</p> <p data-bbox="521 1528 1474 1612">In addition, 42 CFR 455 requires the state agency to conduct a full investigation if the findings of a preliminary investigation give the agency reason to believe that an incident of fraud or abuse has occurred.</p> <p data-bbox="521 1644 1268 1675">Similar aspects of the finding were reported in previous years.</p> <p data-bbox="521 1707 1474 1801"><i>Federal Award Information:</i> This finding affects the Medical Assistance Program federal grant awards 05-1305NC5MAP and 05-1405NC5MAP for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p data-bbox="521 1833 1474 1892"><i>Recommendations:</i> The Department should create policies and procedures to ensure investigation tracking data is accurate and reliable.</p>

93.778 MEDICAL ASSISTANCE PROGRAM (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>The Department should develop policies and procedures to adequately monitor contractor performance.</p> <p>The Department should review cases to determine if fraud is suspected and a full investigation is necessary prior to closing.</p> <p><i>Agency Response:</i> The Department notes that the auditors' assertion that the errors detected likely would result in questioned costs that could be significant for the program are not supported by the fact that the error rate (4%) is below the minimum threshold to justify the extrapolation of results.</p> <p>The Department began utilizing a new program integrity case tracking database in May of 2014. The database will be fully functional to meet Program Integrity's case tracking needs by June 30, 2015.</p> <p>The Department updated its policies and procedures to adequately monitor contractor performance in Fall 2014.</p> <p><i>Auditor Response:</i> This finding is related to fraud detection and not questioned costs. It is qualitatively significant to the program since it is dealing with fraud detection controls. In addition, OMB Circular A-133 does not establish a minimum threshold to justify the extrapolation of results.</p>

93.917 HIV CARE FORMULA GRANTS**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-083	Subrecipient <u>Monitoring:</u> Significant Deficiency Questioned Cost Finding \$10,327	<p data-bbox="521 562 1481 594"><u>Deficiencies in Subrecipient Monitoring Procedures</u></p> <p data-bbox="521 625 1481 867">The Department did not recoup funds paid for ineligible participants. The grant is used to provide medical assistance and support services to individuals diagnosed with Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) related illnesses. Approximately \$8.6 million of the grant funds are administered by 14 subrecipients. Eight of 14 (57%) subrecipients had monitoring visits that resulted in eligibility errors and \$10,327 in questioned costs; in which, the Department did not recoup the funds paid on behalf of ineligible participants.</p> <p data-bbox="521 898 1481 961">As a result, ineligible participants received \$10,327 of benefits increasing the overall costs of the program.</p> <p data-bbox="521 993 1481 1182">There was no formal process for recouping funds expended on behalf of ineligible participants. According to the Department, subrecipients served individuals where eligibility documentation was incomplete at the time of service. The Department ensured these clients were not served again until proof of eligibility was obtained. However, the Department did not consider it cost effective to recoup the funds.</p> <p data-bbox="521 1213 1481 1329">OMB Circular A-133 requires the state to monitor the activities of subrecipients as necessary to ensure federal awards are used in compliance with provisions of contracts and that performance goals are achieved. In addition, appropriate sanctions should be taken for subrecipient noncompliance.</p> <p data-bbox="521 1360 1481 1455"><i>Federal Award Information:</i> This finding affects the HIV Care Formula Grants federal grant awards X07HA00051 for the fiscal years ended March 31, 2014, and 2015.</p> <p data-bbox="521 1486 1481 1549"><i>Recommendation:</i> The Department should recoup payments made on behalf of ineligible participants.</p> <p data-bbox="521 1581 1481 1726"><i>Agency Response:</i> The Department has initiated efforts to recoup the questioned costs identified by the auditors. In addition, the relevant monitoring manuals will be revised to include prescribed procedures that specifically identify recoupment of funds paid to ineligible participants. The anticipated completion date is June 30, 2015.</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-084	Allowable Costs/ <u>Cost Principles:</u> Significant Deficiency Questioned Cost Finding \$74,997	<p data-bbox="519 546 1485 588"><u>Improper Reclassification of Refunds</u></p> <p data-bbox="519 609 1485 735">Auditors tested 15 out of 37 grant expenditure adjustments and identified eight (53%) improper reclassifications, resulting in \$74,997 of questioned costs. In each case, refunds received for expired grants were applied incorrectly to the current year.</p> <p data-bbox="519 756 1485 840">As a result, the Department used \$74,997 of funding outside applicable grant periods in violation of federal guidelines.</p> <p data-bbox="519 861 1485 924">The Department did not follow the federal guidelines for prior year refunds for the program.</p> <p data-bbox="519 945 1485 1050">Federal regulation 42 USC 300 requires that any amount paid to a state for a fiscal year shall be available for obligation and expenditure for only two federal fiscal years.</p> <p data-bbox="519 1071 1485 1197"><i>Federal Award Information:</i> This finding affects the Block Grants for Prevention and Treatment of Substance Abuse federal grant awards TI010032-12, TI010032-13 and TI010032-14 for federal fiscal years ended September 30, 2012 to 2014.</p> <p data-bbox="519 1218 1485 1344"><i>Recommendation:</i> The Department should develop and implement procedures to ensure that refunds received are accurately recorded and refunds received outside the applicable grant period are returned to the federal oversight agency.</p> <p data-bbox="519 1365 1485 1512"><i>Agency Response:</i> Guidance will be requested from the federal funding agencies on returning and reporting refunds. Until then, the Department will apply refunds to the time period of the original payment. The anticipated completion date is June 30, 2015.</p>
2014-085	Allowable Costs/ <u>Cost Principles:</u> Significant Deficiency Questioned Cost Finding \$40	<p data-bbox="519 1554 1485 1596"><u>Errors in Substance Abuse Provider Billing and Payment Process</u></p> <p data-bbox="519 1617 1485 1722">The Department processed over 94,000 payments for services totaling over \$5 million during state fiscal year 2014. Four claims of 100 (4%) tested had errors that resulted in net underpayments of \$56.</p> <p data-bbox="519 1743 1485 1883">Retroactive third party insurance was not considered for one claim tested. This error resulted in an overpayment and questioned costs of \$40. OMB A-133 Section .510(a)(3) requires auditors to report known questioned costs when likely questioned costs are greater than \$10,000. Even though</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>sample results identified only \$40 in questioned costs, if tests were extended to the entire population, questioned costs would likely exceed \$10,000 and could be significant to the program.</p> <p>In addition, claims were paid using the incorrect rate for three claims. These errors resulted in an underpayment of \$96.</p> <p>Also, policy and rate changes to the claims payment system (NCTracks) are not formally approved and verified for timely update in NCTracks.</p> <p>As a result, the Department made at least \$40 of improper payments of program funds that could have been used to fund additional claims or reduce the overall costs of the program.</p> <p>According to the Department, the edits in NCTracks were designed to ensure proper payments. However, the Department did not perform reviews of claims payments to ensure NCTracks was working appropriately.</p> <p>OMB Circular A-87 require costs to be adequately documented, authorized by and consistent with regulations, in conformity with conditions of the federal award, necessary, and reasonable and net of applicable credits.</p> <p><i>Federal Award Information:</i> This finding affects the Block Grants for Prevention and Treatment of Substance Abuse federal grant awards TI010032-13 and TI010032-14 for the federal fiscal years ended September 30, 2013, and 2014, respectively.</p> <p><i>Recommendations:</i> The Department should continue to enhance its control procedures to improve the accuracy of the claims payment process:</p> <ul style="list-style-type: none"> • Management should ensure the proper and timely implementation of system changes, including effective payment edits and proper rates. • Identified over and underpaid claims should be followed up for timely and appropriate collection or payment. <p><i>Agency Response:</i> The Department notes that the auditors' assertion that the errors detected likely would result in questioned costs exceeding \$10,000 and could be significant for the program are not supported by the questioned costs identified and the fact that the error rate (4%) is below the minimum threshold to justify the extrapolation of results.</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>The Department did extensive testing of claims processing in NCTracks during our six months of User Acceptance Testing (UAT). The LME-MCOs were also given the opportunity to participate in Provider Operations Preparedness (POP) by sending in claims for adjudication for three different cycles prior to the system going live. The UAT and POP testing procedures were instituted to ensure that claims would process correctly after implementation of NCTracks.</p> <p>Prior to the establishment of each LME-MCO, the rates paid for services rendered were set by the Department. The LME-MCOs are responsible for setting rates for the services they pay their contract providers, upon approval by the Department. Rates may vary by provider, and the LME-MCO indicates the desired rate on the claim that is submitted to the Department. If a rate is not specified when a claim is submitted, then the Department's default rate is used. The LME-MCO gets rate reports from NCTracks and can change or modify a rate or ask for a retroactive adjustment by submitting the NCTracks Rate Request Form to the Department. Rate changes are loaded into NCTracks weekly by Financial Operations before the weekly checkwrite process.</p> <p>The Department will reemphasize that LME-MCOs review all of their published NCTracks reports for accurate payment rates, recipient information, contract providers' information and claims processed in NCTracks.</p> <p>The Department will research and recoup all questioned costs identified. The anticipated completion date is June 30, 2015.</p> <p><i>Auditor Response:</i> The Department's assertion that the Office of the State Auditor (OSA) cannot draw the stated conclusions is incorrect. Specifically:</p> <p>The Department is confusing the criteria for reporting findings and questioned costs with the thresholds used by federal agencies to seek reimbursement or other sanctions. The federal requirement for reporting questioned costs is based on the effect of the errors found as a result of tests performed on the population. If the errors detected are \$10,000 or more or indicate errors of \$10,000 or more exist in the population, the errors are required to be reported. The evidence obtained through the tests performed provided sufficient evidence that likely errors of \$10,000 or more existed in the population.</p> <p>Findings and questioned costs, as reported by auditors, are used by the federal agencies to determine whether to pursue the magnitude of the errors. Once the federal agency decides to perform their own audit/investigation, different thresholds are used than those required by auditors performing OMB Circular A-133 Single Audits.</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-086	<u>Allowable Costs/ Cost Principles:</u> Significant Deficiency	<u>Deficiencies in NCTracks Program Change Controls</u> The Department lacked formal business user approval documentation for three program modification requests tested from a population of 12 completed during state fiscal year 2014. Improper program changes could result in improper payments increasing the overall cost of the program. When the Department converted to the new claims processing system (NCTracks) documented approval by the business user was not fully implemented. Section BAI07 of the Cobit5 Manage Change Acceptance and Transitioning requires acceptance testing meets stakeholder approval and takes into account all aspects of the implementation and conversion plans. <i>Federal Award Information:</i> This finding affects the Block Grants for Prevention and Treatment of Substance Abuse federal grant awards TI010032-13 and TI010032-14 for the federal fiscal years ended September 30, 2013, and 2014, respectively. <i>Recommendation:</i> The Department should ensure that formal approval policies and procedures are adequate and operating for all program changes. <i>Agency Response:</i> The Department has implemented more formal approval processes for NCTracks and will review these processes, make any necessary modifications to ensure that formal business user approval documentation is maintained, and communicate appropriate information to the business stakeholders by May 1, 2015. The Department will also periodically review system changes to ensure compliance with established policies and procedures, including the retention of formal business user approval documentation.
2014-087	Matching, Level of Effort, <u>Earmarking:</u> Significant Deficiency	<u>Deficiencies in Level of Effort and Earmarking Processes</u> The Department failed to spend \$239,675 of the \$1,980,076 (12%) earmarked for Human Immunodeficiency Virus (HIV) projects for the federal fiscal year 2012 award. The result of this issue was a return of \$239,675 in federal funding that could have been used to fund necessary programs and/or aid additional clients.

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>The Department did not adequately monitor level of effort and earmarking requirements. Although some documentation was provided, there was insufficient evidence that expenditures were tracked throughout the period to ensure compliance.</p> <p>In accordance with 42 USC 300, designated states are required to obligate and expend five percent of the grant allotment to establish one or more projects designed to provide early intervention services for HIV at site(s) distributing substance abuse treatment.</p> <p><i>Federal Award Information:</i> This finding affects the Block Grants for Prevention and Treatment of Substance Abuse federal grant awards TI010032-12, TI010032-13 and TI010032-14 for the federal fiscal years ended September 30, 2012 to 2014.</p> <p><i>Recommendations:</i> The Department should develop and implement adequate monitoring control processes to track compliance with level of effort and earmarking requirements.</p> <p>The Department should also ensure that expenditures are at a level that ensures compliance with federal requirements.</p> <p><i>Agency Response:</i> The Department will continue to strengthen current efforts by fiscal, IT, and program staff to monitor the level of effort and earmarking requirements as well as improve the timely expenditure and reporting of SAPTBG HIV funds by the Local Management Entities-Managed Care Organizations (LME-MCOs). The reported shortfall in HIV expenditures was primarily due to the under-expenditure of HIV funds allocated to LME-MCOs and contracted to eligible providers.</p> <p>Enhanced tools and protocols will be put into place to better assist Financial Operations and Community Policy Management staff in closely monitoring the allocation, expenditure and reporting of funds by LME-MCOs throughout the fiscal year. Efforts will also be strengthened to expedite timely analysis, communication, decision-making, and actions regarding shortfalls in expenditures, and timely recommendation for the reallocation of unused funds when necessary.</p> <p>The Department consolidated all monitoring tools into an enhanced, single financial reporting tool that is required to be submitted by all LME-MCOs on a monthly basis with accurate, complete, and timely expenditure data. This financial reporting tool will be used by the Department and by the LME-MCOs to closely plan and monitor LME-MCO performance, as evidenced in required</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-088	<p data-bbox="534 562 1471 621">monthly reports of expenditures, in order to ensure compliance with expenditure levels as established by the SAPTBG.</p> <p data-bbox="534 653 1471 772">The Department will de-allocate any unused funds, and reallocate those funds to LME-MCOs and providers who have demonstrated an enhanced capacity to fully expend these funds appropriately and timely. The anticipated completion date is June 30, 2015.</p> <p data-bbox="534 835 1446 867"><u>Management Did Not Take Full Corrective Action on Prior Recommendations</u></p> <p data-bbox="534 898 1471 989">The Department of Health and Human Services (Department) management did not take full corrective action on prior year audit findings for three major federal programs audited for the current fiscal year ended June 30, 2014.</p> <p data-bbox="534 1020 1295 1052">Block Grants For Prevention and Treatment of Substance Abuse</p> <p data-bbox="534 1083 1471 1176">Monitoring Procedures Need Improvement – As described in current year finding 2014-089, the Department did not ensure Local Management Entities complied with applicable laws and regulations.</p> <p data-bbox="534 1207 992 1239">See finding 2014-044 for a description.</p>
2014-089	<p data-bbox="310 1304 444 1356"><u>Subrecipient Monitoring:</u></p> <p data-bbox="342 1367 456 1419">Material Weakness</p> <p data-bbox="534 1304 1040 1335"><u>Monitoring Procedures Need Improvement</u></p> <p data-bbox="534 1367 1471 1457">The objective of the program is to plan, carry out, and evaluate activities to prevent and treat substance abuse and other related activities. Twenty-five subrecipients receive and administer \$29,311,203 of program funding.</p> <p data-bbox="534 1488 1433 1520">The Department's procedures consist of many types of monitoring including:</p> <ul data-bbox="583 1551 1471 1745" style="list-style-type: none"> <li data-bbox="583 1551 1471 1612">• Annual system reviews used for programmatic monitoring of local management entities/ managed care organizations (LME/MCO) <li data-bbox="583 1644 1393 1675">• Cost settlement reviews used for fiscal monitoring of LME/MCOs <li data-bbox="583 1707 1365 1738">• Programmatic and fiscal monitoring of non-profit organizations <p data-bbox="534 1770 1471 1833">These monitoring procedures ensure subrecipients use federal and state funding in accordance with program guidelines.</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>One annual system review from a sample of three (33%) determined the Department did not properly complete the monitoring tool for several deficiencies identified.</p> <p>In addition, the Department also did not independently select provider cases to examine during annual systems reviews. Instead, the Department relied on the LME/MCO to identify and select the cases to be reviewed.</p> <p>The fiscal settlement review and the non-profit contract review processes do not adequately address corrective actions to remedy all deficiencies noted during the monitoring reviews.</p> <p>As a result, program funds could be spent on unallowed activities and/or ineligible recipients increasing the overall costs of the program.</p> <p>The issues noted were caused by a lack of policies and procedures to ensure monitoring procedures are accurately and completely performed and all identified issues are corrected. Also, the Department was unable to pull a sample due to complications with obtaining data from the new claims database (NCAalytics).</p> <p>OMB Circular A-133 states that the pass-through entity will monitor the subrecipient's use of federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved.</p> <p>OMB Circular A-123 states that corrective action plans should be developed and progress against plans should be periodically assessed and reported. Management should track progress to ensure timely and effective results.</p> <p>Similar aspects of the finding were reported in previous years.</p> <p><i>Federal Award Information:</i> This finding affects the Block Grants for Prevention and Treatment of Substance Abuse federal grant awards TI010032-13 and TI010032-14 for the federal fiscal years ended September 30, 2013, and 2014, respectively</p> <p><i>Recommendation:</i> The Department should develop and implement policies and procedures to adequately monitor and correct issues noted for all types of subrecipients.</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
2014-090	<p data-bbox="310 961 488 1014"><u>Special Test and Provisions:</u></p> <p data-bbox="342 1031 456 1083">Significant Deficiency</p> <p data-bbox="537 961 1170 989"><u>Deficiencies in the Independent Peer Review Process</u></p> <p data-bbox="537 1024 1474 1171">The Department did not adequately monitor the contractor hired to conduct the independent peer review process. Monitoring procedures were not formalized and results were not tracked and documented to ensure that a detailed review was performed of contractor performance until the final deliverable was received.</p> <p data-bbox="537 1209 1474 1297">In addition, the Department could not substantiate the number of entities providing substance abuse services. The auditors were unable to determine if at least five percent of the entities were reviewed as federal guidelines require.</p> <p data-bbox="537 1335 1474 1388">Failure to perform a sufficient number of independent peer reviews could lead to undetected substandard treatment services.</p> <p data-bbox="537 1425 1474 1541">The Department failed to adequately document monitoring of the contractor due to a lack of formal policies and procedures. Also, the Department was unable to obtain accurate provider data making it difficult to determine the total number of entities to be reviewed.</p> <p data-bbox="537 1579 1474 1726">In accordance with 45 CFR 96, the state shall provide for an independent peer review to assess the quality, appropriateness, and efficacy of treatment services provided in the state. This review should ensure that at least five percent of the entities providing services in the state are examined. Also, the reviews shall be representative of the total population.</p> <p data-bbox="537 1764 1474 1879"><i>Federal Award Information:</i> This finding affects the Block Grants for Prevention and Treatment of Substance Abuse federal grant awards TI010032-13 and TI010032-14 for the federal fiscal years ended September 30, 2013, and 2014, respectively</p>

93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE (continued)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p><i>Recommendations:</i> The Department should formalize policies and procedures to monitor the contractor responsible for conducting the independent peer review process.</p>
	<p>The Department should continue efforts to update entities and designations in the claims processing system (NCTracks) and adequately track entities providing substance abuse services.</p>
	<p><i>Agency Response:</i> Extensive oversight and supervision of the contractor engaged to conduct the independent peer review process is performed by the Department through on-site visits, desk reviews, telephone and e-mail. The Department will develop written monitoring procedures to formalize the independent peer review process.</p>
	<p>The Department will ensure all entities providing substance abuse services are identified and a sufficient number of reviews are performed. The anticipated completion date is June 30, 2015.</p>

97.036 DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)**III. Federal Award Findings and Questioned Costs**

U.S. Department of Homeland Security

N.C. Department of Public Safety

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-091	<u>Reporting:</u> Significant Deficiency	<p data-bbox="537 562 1122 590"><u>Subaward Obligations Were Not Reported Timely</u></p> <p data-bbox="537 625 1464 716">The Department did not report subaward obligations exceeding \$25,000 within the time period established by the Federal Funding Accountability and Transparency Act (FFATA).</p> <p data-bbox="537 747 1464 898">The Department reported all 21 Homeland Security Grant Program subawards at least four months late. These subawards totaled over \$4.3 million. Additionally, in a sample of 34 out of a total of 166 Public Assistance – Disaster Grants subawards, 12% or 4 subawards were reported at least two months late. These subawards totaled over \$430,000.</p> <p data-bbox="537 930 1464 993">As a result, the federal awarding agency and the public did not have timely notification of subawards issued by the Department.</p> <p data-bbox="537 1024 1464 1176">The Federal Funding Accountability and Transparency Act was enacted to show citizens how federal funds are spent in their communities. At the time of subawards, the Department did not have procedures in place, such as internal checklist or automatic reminders, to ensure the required reports were submitted by their due date.</p> <p data-bbox="537 1207 1464 1297">The Federal Funding Accountability and Transparency Act requires states to report any subawards issued for more than \$25,000 in the federal reporting system by the end of the month following when the subaward is issued.</p> <p data-bbox="537 1329 1464 1480">The Department began working on this issue after our finding in February of 2014. The Department implemented a monthly supervisory review of the federal reporting system comparing it to all grants issued. We reviewed subawards from February 2014 through June 2014 (5 subawards out of 27 total). Those reviewed were reported within the required time frame.</p> <p data-bbox="537 1512 1464 1633"><i>Federal Award Information:</i> This finding affects CFDA 97.067 Homeland Security Grant Program award DHS-13-GPD-067-000-01 for the award period 10/01/13 – 09/30/2015, and CFDA 97.036 Disaster Grants – Public Assistance program disaster NC Hurricane Irene award FEMA-4019-DR-NC.</p> <p data-bbox="537 1665 1464 1728"><i>Recommendation:</i> We recommend that the Department continue to ensure required reports are submitted timely.</p> <p data-bbox="537 1759 1464 1883"><i>Agency Response:</i> The Department agrees with this finding. The Department has implemented procedures to ensure Homeland Security Grant Program and Public Assistance Disaster Grants are reported as required under the Federal Funding Accountability and Transparency Act.</p>

97.036 DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)
(continued)

III. Federal Award Findings and Questioned Costs

U.S. Department of Homeland Security

N.C. Department of Public Safety

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-092	Subrecipient <u>Monitoring:</u> Significant Deficiency	<p><u>Subrecipient Audit Reports Were Not Obtained and Reviewed</u></p> <p>The Department did not obtain and review audit reports for two organizations receiving more than \$500,000 in federal funds.</p> <p>Two of the 15 (13%) required audit reports were not received or reviewed. As a result, the Department could be unaware of significant problems reported by the auditors of those organizations. By reviewing the audit reports the Department could monitor the grant funds more effectively or withhold grant funds until the problems are corrected.</p> <p>The department does not have adequate procedures in place, such as automated reminders or supervisory review, to ensure that audit reports are received and reviewed.</p> <p>Federal law requires that the State review the audit reports and follow up on any relevant audit findings.</p> <p><i>Federal Award Information:</i> This finding affects CFDA 97.036 Public Assistance Disaster Grants NC Hurricane Irene award FEMA-4019-DR-NC.</p> <p><i>Recommendation:</i> We recommend that the agency strengthen its monitoring and audit tracking procedures to ensure that the required audit reports are received and reviewed.</p> <p><i>Agency Response:</i> The Department agrees with this finding. The Department will implement an audit tracking protocol to ensure all subrecipient audit reports are obtained and reviewed in a timely manner. The Department will conduct appropriate follow up should any deficiencies be noted.</p>

97.067 HOMELAND SECURITY GRANT PROGRAM

III. Federal Award Findings and Questioned Costs

U.S. Department of Homeland Security

N.C. Department of Public Safety

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-093	<u>Reporting:</u> Significant Deficiency	<u>Subaward Obligations Were Not Reported Timely</u> The Department did not report subaward obligations exceeding \$25,000 within the time period established by the Federal Funding Accountability and Transparency Act (FFATA). See finding 2014-091 for a description.

RESEARCH AND DEVELOPMENT CLUSTER**III. Federal Award Findings and Questioned Costs**

Various Federal Agencies (Note A)

University of North Carolina at Chapel Hill

For the Fiscal Year Ended June 30, 2014

	Type of Finding/ Questioned Costs	Findings and Recommendations
2014-094	<p data-bbox="308 556 503 619"><u>Allowable Costs/ Cost Principles:</u></p> <p data-bbox="341 630 503 682">Material Weakness</p> <p data-bbox="341 703 503 756">Material Noncompliance</p> <p data-bbox="308 787 503 840"><u>Special Tests and Provisions</u></p> <p data-bbox="341 861 503 913">Material Weakness</p> <p data-bbox="341 934 503 987">Material Noncompliance</p>	<p data-bbox="535 556 1481 619"><u>Lack of Salary and Wage Certifications Increases Risk of Inappropriate Charges to Federal Grants</u></p> <p data-bbox="535 640 1481 808">The University did not timely approve all of the required Effort Certifications¹⁴ necessary to ensure that all salaries and wages charged to federal grants were for services rendered under those grants. The University had 300,396 transactions for salaries and wages totaling \$195,841,274 that were paid from federal funds in fiscal year 2014.</p> <p data-bbox="535 829 1481 903">Out of a sample of 60 randomly selected salary and wage transactions billed to federal grants, 11 transactions (18%) did not meet federal requirements:¹⁵</p> <ul data-bbox="584 924 1481 1144" style="list-style-type: none"> <li data-bbox="584 924 1481 1060">• In 6 out of 60 (10%) transactions tested, the payee completed their Effort Certification but it was not certified (approved) by appropriate personnel within the appropriate time frame established by the University. <li data-bbox="584 1081 1481 1144">• In 5 out of 60 (8%) transactions tested, the payee did not complete the Effort Certification at all. <p data-bbox="535 1176 1481 1270">Because the University did not timely approve and obtain all of the required certifications, there was an increased risk salary and wage charges could be inappropriately billed to federal grants.</p> <p data-bbox="535 1302 1481 1459">The University did not timely approve and obtain all of the required certifications due to turnover and lack of training at the department level, where the responsibility for the certifications was not reassigned. Additionally, the importance of these certifications was not emphasized at the department level.</p> <p data-bbox="535 1491 1481 1701">Federal regulations state that the distribution of salaries and wages for individuals paid in connection with federal research and development grants must be accurately confirmed (i.e. documented) or approved after the work was performed. To comply with federal requirements, the University established a policy to confirm salaries and wages for non-professional and non-professional staff paid from federal grants on a quarterly basis and all other staff on a semi-annual basis. University policy also states that the salary</p>

¹⁴ Effort Certifications are the documentation that certifies to the federal granting agencies that the effort required as a condition of the award has actually been completed. Effort reporting is required by OMB Circular A-21 which requires certification of effort spent by all employees whose salaries are charged directly to federal and federal flow-through funds

¹⁵ Per Appendix A of 2 CFR Part 220 – J.10.b.(2).c.(2)(c)

RESEARCH AND DEVELOPMENT CLUSTER (continued)**III. Federal Award Findings and Questioned Costs**

Various Federal Agencies (Note A)

University of North Carolina at Chapel Hill

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>and wage certifications must be approved within 30 days after the certification period ends.</p> <p><i>Federal Award Information:</i> This finding impacts federal research and development funding for July 1, 2013 through June 30, 2014.</p> <p>The specific CFDA numbers for the Research and Development Cluster are identified in the Schedule of Expenditures of Federal Awards (By State Agency) for the University of North Carolina at Chapel Hill. The following CFDA numbers are impacted by this finding: 81.049, 93.121, 93.135, 93.172, 93.226, 93.242, 93.283, 93.307, 93.350, 93.393, 93.397, 93.730, 93.837, 93.847, 93.855, 93.865, and 93.884.</p> <p><i>Recommendation:</i> The University should strengthen controls over effort certifications to ensure they are completed and approved in a timely manner.</p> <p><i>Agency Response:</i> In April of 2015, we will begin working with Huron Consulting Services, LLC (Huron) to initiate an upgrade to our effort reporting software effecting a transition to the most current version 5.1. Through this upgrade, we will gain critical enhancements necessary for improving timeliness of our reporting as well as making the process much more efficient and user friendly for our Principal Investigators (PIs) and research community.</p> <p>Through the course of this upgrade, Huron will provide support to update our related training materials to reflect the use of the new functionality gained. Once the training materials have been modified and updated, we will implement a communication and training plan that will include mandatory training for all Primary Effort Coordinators as well as anyone assigned as a backup Primary Effort Coordinator. In addition, we will be posting an on-line training module and prior to a new hire being assigned the role of Primary Effort Coordinator, they will be required to complete the on-line training. We will also offer training to all Principal Investigators and other certifiers emphasizing the importance of reviewing and certifying their effort reports as well as the procedure for completion in the upgraded system. In keeping with the trainings for the Primary Effort Coordinators, we also create and post an on-line training module that is specific to the role of the Principal Investigators and others required to certify their effort.</p> <p>Lastly, we will also be updating our Effort Reporting Policy and Procedures to reflect the changes brought about by the system upgrade as well as the implementation of the Uniform Guidance. The revised policy and procedures will include clear guidance on a reminder and escalation procedure that will be initiated, as necessary, following the certification due date for those reports</p>

RESEARCH AND DEVELOPMENT CLUSTER (continued)**III. Federal Award Findings and Questioned Costs**

Various Federal Agencies (Note A)

University of North Carolina at Chapel Hill

For the Fiscal Year Ended June 30, 2014

Type of Finding/ Questioned Costs	Findings and Recommendations
	<p>that have not been certified. The escalation procedure will involve communication from the Associate Vice Chancellor for Research/Director, Sponsored Research to the Deans of Schools, as warranted, to ensure that certifications are completed.</p> <p>In instances where a report remains uncertified after the reminder/escalation procedure, the resulting action will be for the Office of Sponsored Research (OSR) to place the respective sponsored projects on hold and transfer all salary and associated fringe benefit charges from the sponsored projects (included on the remaining unprocessed effort reports) to the department's non-sponsored account. The revision will additionally advise that if the costs are moved they may not be transferred back to the sponsored projects at a later date without the approval of the Associate Vice Chancellor for Research/Director, OSR.</p> <p>Anticipated Completion Date: October 1, 2015</p> <p>Note A: The following federal agencies provided direct funding to the Research and Development Cluster:</p> <p>U.S. Department of Energy</p> <p>U.S. Department of Health and Human Services</p>

Summary of Findings and Questioned Costs

**Summary of Findings and Questioned Costs
By Federal Agency**

For the Fiscal Year Ended June 30, 2014

Federal Agency	CFDA	Finding Number	Finding	Questioned Costs
U.S. Department of Agriculture:	10.551	2014-001	Deficiencies in Eligibility System Access Controls	\$ -
		2014-002	SNAP Eligibility Determinations Not Performed Accurately	12,671
				<u>12,671</u>
	10.557	2014-003	Deficiencies in County Eligibility Determination Processes	-
				<u>-</u>
	10.558	2014-004	Facilities Not Properly Monitored	-
				<u>-</u>
	10.561	2014-005	Subaward Obligations Were Not Reported Timely and Report Contained Errors	-
		2014-006	Counties Not Properly Monitored	-
				<u>-</u>
			<u>-</u>	
		Total Federal Agency	<u>12,671</u>	
U.S. Department of Housing and Urban Development:	14.228	2014-007	Subaward Obligations Were Not Reported Timely	-
				<u>-</u>
			Total Federal Agency	<u>-</u>
U.S. Department of Labor:	17.225	2014-008	Documentation to Support Benefit Overpayment Investigations Was Not Maintained	-
				<u>-</u>
	17.258	2014-009	Subaward Obligations Were Not Reported Timely and Contained Errors	-
		2014-010	Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans	-
				<u>-</u>
	17.259	2014-011	Subaward Obligations Were Not Reported Timely and Contained Errors	-
		2014-012	Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans	-
				<u>-</u>
				<u>-</u>
	17.278	2014-013	Subaward Obligations Were Not Reported Timely and Contained Errors	-
		2014-014	Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans	-
				<u>-</u>
				<u>-</u>
			Total Federal Agency	<u>-</u>

**Summary of Findings and Questioned Costs
By Federal Agency**

For the Fiscal Year Ended June 30, 2014

Federal Agency	CFDA	Finding Number	Finding	Questioned Costs	
U.S. Department of Transportation:	20.205	2014-015	Controls Were Not Operating Effectively to Ensure Payment of Minimum Pay Rates	-	
		2014-016	Quality Assurance Testing Standards Not Met	-	
	20.319	2014-017	Controls Were Not Operating Effectively to Ensure Payment of Minimum Pay Rates	-	
		2014-018	Federal Reports Contained Errors	-	
	20.509	2014-019	Subaward Obligations Were Not Reported	-	
		2014-020	Subrecipient Data in Federal Reports Not Reviewed	-	
		2014-021	Failure to Verify DUNS Number and Valid Local Match Prior to Award	-	
		2014-022	Subrecipient Monitoring Not Adequately Performed	-	
		2014-023	Subrecipient Charter Service Reports Submitted Late to the Federal Transit Authority	-	
	Total Federal Agency				-
	U.S. Environmental Protection Agency:	66.468	2014-024	Construction Project Inspections Were Not Monitored by Management to Ensure Timely Performance and Public Health is Protected	-
			Total Federal Agency		
	U.S. Department of Education:	84.007	2014-025	Satisfactory Academic Progress Policy Did Not Meet Federal Requirements	-
2014-026			Required Written Notifications Were Not Supplied to Students	-	
84.010		2014-027	Fiscal Monitoring Results Were Not Communicated Timely	-	
		2014-028	Title I Program Monitoring Visits Not Timely Reviewed for Completeness	-	
		2014-029	Inaccurate School Status Reporting Could Impact Parental School Decision	-	
		2014-030	Required Verification of Graduation Rates Was Not Performed	-	
84.027		2014-031	Fiscal Monitoring Results Were Not Communicated Timely	-	
84.031		2014-032	Lack of Verification to Ensure the University is Not Contracting with Debarred Vendors	-	
84.033		2014-033	Satisfactory Academic Progress Policy Did Not Meet Federal Requirements	-	
		2014-034	Required Written Notifications Were Not Supplied to Students	-	

**Summary of Findings and Questioned Costs
By Federal Agency**

For the Fiscal Year Ended June 30, 2014

Federal Agency	CFDA	Finding Number	Finding	Questioned Costs
U.S. Department of Education: (continued)	84.038	2014-035	Satisfactory Academic Progress Policy Did Not Meet Federal Requirements	-
		2014-036	Required Written Notifications Were Not Supplied to Students	-
				-
	84.048	2014-037	Fiscal Monitoring Results Were Not Communicated Timely	-
				-
	84.063	2014-038	Error in Calculation for Return of Title IV Funds	1,313
		2014-039	Satisfactory Academic Progress Policy Did Not Meet Federal Requirements	-
		2014-040	Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid	-
		2014-041	Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid	-
		2014-042	Required Written Notifications Were Not Supplied to Students	-
				1,313
	84.126	2014-043	Errors in Claims Payment Process	3,586
		2014-044	Management Did Not Take Full Corrective Action on Prior Recommendations	-
		2014-045	Deficiencies in Participant Eligibility Determinations	-
				3,586
	84.173	2014-046	Fiscal Monitoring Results Were Not Communicated Timely	-
				-
	84.268	2014-047	Error in Calculation for Return of Title IV Funds	12,822
		2014-048	Lack of Controls Over Required Direct Loan Reconciliations	-
		2014-049	Satisfactory Academic Progress Policy Did Not Meet Federal Requirements	-
2014-050		Lack of Controls Over Required Direct Loan Reconciliations	-	
2014-051		Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid	-	
2014-052		Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid	-	
2014-053		Required Direct Loan Reconciliations Were Not Properly Performed	-	
2014-054		Required Written Notifications Were Not Supplied to Students	-	
			12,822	
84.287	2014-055	Department Failed to Fully Document Subrecipient Monitoring Visits	-	
			-	
84.367	2014-056	Fiscal Monitoring Results Were Not Communicated Timely	-	
			-	
84.377	2014-057	Fiscal Monitoring Results Were Not Communicated Timely	-	
			-	
84.388	2014-058	Fiscal Monitoring Results Were Not Communicated Timely	-	
			-	
84.395	2014-059	Documentation Did Not Support Salary Payments	-	
	2014-060	Fiscal Monitoring Results Were Not Communicated Timely	-	
			-	
Total Federal Agency				17,721

**Summary of Findings and Questioned Costs
By Federal Agency**

For the Fiscal Year Ended June 30, 2014

Federal Agency	CFDA	Finding Number	Finding	Questioned Costs
U.S. Department of Health and Human Services:	93.044	2014-061	Subaward Obligations Were Not Reported Timely	-
				-
	93.045	2014-062	Subaward Obligations Were Not Reported Timely	-
				-
	93.053	2014-063	Subaward Obligations Were Not Reported Timely	-
				-
	93.074	2014-064	Required Level of Service Not Reported Accrately	-
		2014-065	Subaward Obligations Were Not Reported Timely and Reports Contained Errors	-
				-
	93.558	2014-066	Deficiencies in County Eligibility Determination Processes	5,972
				5,972
	93.659	2014-067	Deficiencies in County Eligibility Determination Processes	62,181
		2014-068	Monitoring of Child Abuse Registry Not Being Performed	-
				62,181
	93.767	2014-069	Errors in Children's Health Insurance Provider Billing and Payment Process	186
		2014-070	Deficiencies with Rate Implementation in the Claims Processing System	21,538
		2014-071	Deficiencies in NCTracks Program Change Controls	-
		2014-072	Deficiencies in Provider Enrollment and Termination Processes	-
		2014-073	Deficiencies with Program Integrity Functions	-
		2014-074	Deficiencies in County Eligibility Determination Processes	-
				21,724
	93.778	2014-075	Errors in Medicaid Provider Billing and Payment Process	303,169
		2014-076	Medicaid Disproportionate Share Hospital Payments Made Incorrectly	8,629,597
	2014-077	Deficiencies with Rate Implementation in the Claims Processing System	480,361	
	2014-078	Deficiencies in NCTracks Program Change Controls	-	
	2014-079	Deficiencies in County Eligibility Determination Processes	13,082	
	2014-080	Deficiencies in Provider Enrollment and Termination Processes	-	
	2014-081	Management Did Not Take Full Corrective Action on Prior Recommendations	-	
	2014-082	Deficiencies with Program Integrity Functions	-	
			9,426,209	
93.917	2014-083	Deficiencies in Subrecipient Monitoring Procedures	10,327	
			10,327	
93.959	2014-084	Improper Reclassification of Refunds	74,997	
	2014-085	Errors in Substance Abuse Provider Billing and Payment Process	40	
	2014-086	Deficiencies in NCTracks Program Change Controls	-	
	2014-087	Deficiencies in Level of Effort and Earmarking Processes	-	
	2014-088	Management Did Not Take Full Corrective Action on Prior Recommendations	-	
	2014-089	Monitoring Procedures Need Improvement	-	
	2014-090	Deficiencies in the Independent Peer Review Process	-	
			75,037	
Total Federal Agency				9,601,450

**Summary of Findings and Questioned Costs
By Federal Agency**

For the Fiscal Year Ended June 30, 2014

Federal Agency	CFDA	Finding Number	Finding	Questioned Costs
U.S. Department of Homeland Security:	97.036	2014-091	Subaward Obligations Were Not Reported Timely	-
		2014-092	Subrecipient Audit Reports Were Not Obtained and Reviewed	-
				-
	97.067	2014-093	Subaward Obligations Were Not Reported Timely	-
			-	
			Total Federal Agency	-
Various Federal Agencies:	Note A	2014-094	Lack of Salary and Wage Certifications Increases Risk of Inappropriate Charges to Federal Grants	-
				-
			Total Federal Agency	-
			Total Questioned Costs	\$ <u>9,631,842</u>

Note A This finding is related to the Research and Development cluster. The federal agencies and CFDA numbers are identified in the audit finding.

Summary of Findings and Questioned Costs By State Agency

For the Fiscal Year Ended June 30, 2014

State Agency		Finding Numbers	Questioned Costs
Commerce:	1 Subaward Obligations Were Not Reported Timely	2014-007	\$ -
	2 Documentation to Support Benefit Overpayment Investigations Was Not Maintained	2014-008	-
	3 Subaward Obligations Were Not Reported Timely and Contained Errors	2014-009, 2014-011, 2014-013	-
	4 Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans	2014-010, 2014-012, 2014-014	-
		Total State Agency	-
Elizabeth City State University:	5 Error in Calculation for Return of Title IV Funds	2014-038, 2014-047	14,135
	6 Lack of Controls Over Required Direct Loan Reconciliations	2014-048	-
		Total State Agency	14,135
Environment and Natural Resources:	7 Construction Project Inspections Were Not Monitored by Management to Ensure Timely Performance and Public Health is Protected	2014-024	-
		Total State Agency	-
Fayetteville State University:	8 Lack of Verification to Ensure the University is Not Contracting with Debarred Vendors	2014-032	-
		Total State Agency	-
Health and Human Services:	9 Deficiencies in Eligibility System Access Controls	2014-001	-
	10 SNAP Eligibility Determinations Not Performed Accurately	2014-002	12,671
	11 Deficiencies in County Eligibility Determination Processes	2014-003	-
	12 Facilities Not Properly Monitored	2014-004	-
	13 Subaward Obligations Were Not Reported Timely and Report Contained Errors	2014-005	-
	14 Counties Not Properly Monitored	2014-006	-
	15 Errors in Claims Payment Process	2014-043	3,586
	16 Management Did Not Take Full Corrective Action on Prior Recommendations	2014-044, 2014-081, 2014-088	-
	17 Deficiencies in Participant Eligibility Documentation	2014-045	-
	18 Subaward Obligations Were Not Reported Timely	2014-061, 2014-062, 2014-063	-
	19 Required Level of Service Not Reported Accrately	2014-064	-
20 Subaward Obligations Were Not Reported Timely and Reports Contained Errors	2014-065	-	
21 Deficiencies in County Eligibility Determination Processes	2014-066	5,972	

Summary of Findings and Questioned Costs By State Agency

For the Fiscal Year Ended June 30, 2014

State Agency		Finding Numbers	Questioned Costs	
Health and Human Services: (continued)	22	Deficiencies in County Eligibility Determination Processes	2014-067	62,181
	23	Monitoring of Child Abuse Registry Not Being Performed	2014-068	-
	24	Errors in Children's Health Insurance Provider Billing and Payment Process	2014-069	186
	25	Deficiencies with Rate Implementation in the Claims Processing System	2014-070	21,538
	26	Deficiencies in NCTracks Program Change Controls	2014-071	-
	27	Deficiencies in Provider Enrollment and Termination Processes	2014-072	-
	28	Deficiencies with Program Integrity Functions	2014-073	-
	29	Deficiencies in County Eligibility Determination Processes	2014-074	-
	30	Errors in Medicaid Provider Billing and Payment Process	2014-075	303,169
	31	Medicaid Disproportionate Share Hospital Payments Made Incorrectly	2014-076	8,629,597
	32	Deficiencies with Rate Implementation in the Claims Processing System	2014-077	480,361
	33	Deficiencies in NCTracks Program Change Controls	2014-078	-
	34	Deficiencies in County Eligibility Determination Processes	2014-079	13,082
	35	Deficiencies in Provider Enrollment and Termination Processes	2014-080	-
	36	Deficiencies with Program Integrity Functions	2014-082	-
	37	Deficiencies in Subrecipient Monitoring Procedures	2014-083	10,327
	38	Improper Reclassification of Refunds	2014-084	74,997
	39	Errors in Substance Abuse Provider Billing and Payment Process	2014-085	40
	40	Deficiencies in NCTracks Program Change Controls	2014-086	-
	41	Deficiencies in Level of Effort and Earmarking Processes	2014-087	-
	42	Monitoring Procedures Need Improvement	2014-089	-
	43	Deficiencies in the Independent Peer Review Process	2014-090	-
		Total State Agency		<u>9,617,707</u>
Public Instruction:	44	Fiscal Monitoring Results Were Not Communicated Timely	2014-027, 2014-031, 2014-037, 2014-046, 2014-056, 2014-057, 2014-058, 2014-060	-
	45	Title I Program Monitoring Visits Not Timely Reviewed for Completeness	2014-028	-
	46	Inaccurate School Status Reporting Could Impact Parental School Decision	2014-029	-
	47	Required Verification of Graduation Rates Was Not Performed	2014-030	-
	48	Department Failed to Fully Document Subrecipient Monitoring Visits	2014-055	-
	49	Documentation Did Not Support Salary Payments	2014-059	-
		Total State Agency		<u>-</u>
Public Safety:	50	Subaward Obligations Were Not Reported Timely	2014-091, 2014-093	-
	51	Subrecipient Audit Reports Were Not Obtained and Reviewed	2014-092	-
		Total State Agency		<u>-</u>

**Summary of Findings and Questioned Costs
By State Agency**

For the Fiscal Year Ended June 30, 2014

State Agency		Finding Numbers	Questioned Costs
Transportation:	52 Controls Were Not Operating Effectively to Ensure Payment of Minimum Pay Rates	2014-015	-
	53 Quality Assurance Testing Standards Not Met	2014-016	-
	54 Controls Were Not Operating Effectively to Ensure Payment of Minimum Pay Rates	2014-017	-
	55 Federal Reports Contained Errors	2014-018	-
	56 Subaward Obligations Were Not Reported	2014-019	-
	57 Subrecipient Data in Federal Reports Not Reviewed	2014-020	-
	58 Failure to Verify DUNS Number and Valid Local Match Prior to Award	2014-021	-
	59 Subrecipient Monitoring Not Adequately Performed	2014-022	-
	60 Subrecipient Charter Service Reports Submitted Late to the Federal Transit Authority	2014-023	-
		Total State Agency	-
University of North Carolina at Chapel Hill:	61 Satisfactory Academic Progress Policy Did Not Meet Federal Requirements	2014-025, 2014-033, 2014-035, 2014-039, 2014-049	-
	62 Lack of Controls Over Required Direct Loan Reconciliations	2014-050	-
	63 Lack of Salary and Wage Certifications Increases Risk of Inappropriate Charges to Federal Grants	2014-094	-
	Total State Agency	-	
University of North Carolina at Pembroke:	64 Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid	2014-040, 2014-051	-
	Total State Agency	-	
Winston-Salem State University	65 Required Written Notifications Were Not Supplied to Students	2014-026, 2014-034, 2014-036, 2014-042, 2014-054	-
	66 Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid	2014-041, 2014-052	-
	67 Required Direct Loan Reconciliations Were Not Properly Performed	2014-053	-
	Total State Agency	-	
		Total Questioned Costs	\$ <u>9,631,842</u>

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AUDITEE'S SECTION

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**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014**

**Prepared by
Office of the State Controller**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
AGEC	32,113,426	30,074,064	Aging Cluster
CCDF	260,234,288	240,777,379	CCDF Cluster
CDBG	110,548		CDBG-Entitlement Grants Cluster
CHNC	512,845,226	511,940,558	Child Nutrition Cluster
CWSR	105,671,325	54,816,294	Clean Water State Revolving Fund Cluster
DISI	58,067,297		Disability Insurance/SSI Cluster
DWSR	48,134,991	26,957,381	Drinking Water State Revolving Fund Cluster
EFAC	19,424,544	18,699,681	Food Distribution Cluster
EMPS	36,992,520		Employment Service Cluster
F&WC	21,537,624		Fish and Wildlife Cluster
FGSC	624,381		Foster Grandparent/Senior Companion Cluster
HCCL	2,168,426	1,533,292	Health Center Cluster
HPCC	1,281,712,245	61,695,275	Highway Planning and Construction Cluster
HVCL	4,066,597	3,653,896	Housing Voucher Cluster
HWSC	11,512,388	4,785,182	Highway Safety Cluster
JAGP	5,302,114	2,227,691	JAG Program Cluster
MEDC	8,627,856,773	136,040,397	Medicaid Cluster
PWED	1,514,816		Economic Development Cluster
RD	831,359,538	155,238,033	Research and Development Cluster
SCPC	42,586,590	37,785,993	CDBG-State-Administered CDBG Cluster
SDSD	724,416		Statewide Data Systems Cluster
SFAC	2,323,429,433		Student Financial Assistance Cluster
SIGC	32,603,542	31,585,038	School Improvement Grants Cluster
SNAP	2,506,534,164	87,087,794	Supplemental Nutrition Assistance Program Cluster (SNAP)
SPED	346,860,272	334,254,639	Special Education Cluster (IDEA)
TANF	236,573,209	177,011,149	TANF Cluster
TQPG	2,449,591	598,388	Teacher Quality Partnership Grants
TRIO	16,328,018	55,942	TRIO Cluster
TSPC	5,829,222	5,586,049	Transit Services Programs Cluster
WIAC	89,480,424	69,484,845	WIA Cluster
10	1,138,203	15,650	U. S. Department of Agriculture
10	4,990		ARRA - U. S. Department of Agriculture
10.001	43,371		Agricultural Research-Basic and Applied Research
10.025	2,237,959		Plant and Animal Disease, Pest Control, and Animal Care
10.153	5,000		Market News
10.156	16,546		Federal-State Marketing Improvement Program
10.163	92,892		Market Protection and Promotion
10.168	25,554	10,367	Farmers' Market and Local Food Promotion Program
10.170	1,042,002		Specialty Crop Block Grant Program - Farm Bill
10.200	16,389		Grants for Agricultural Research, Special Research Grants
10.203	154,556		Payments to Agricultural Experiment Stations Under the Hatch Act
10.206	4,323,064	180,344	Grants for Agricultural Research-Competitive Research Grants
10.210	199,064		Higher Education - Graduate Fellowships Grant Program
10.212	10		Small Business Innovation Research
10.215	29,842		Sustainable Agriculture Research and Education
10.216	421,076	6,582	1890 Institution Capacity Building Grants
10.217	211,507	63,550	Higher Education - Institution Challenge Grants Program
10.220	110,725		Higher Education - Multicultural Scholars Grant Program
10.224	(6,155)		Fund for Rural America-Research, Education, and Extension Activities
10.250	132,589		Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations
10.253	35,830		Food Assistance and Nutrition Research Programs (FANRP)
10.255	38,930		Research Innovation and Development Grants in Economic (RIDGE)
10.303	873,422	374,853	Integrated Programs
10.304	84,462		Homeland Security-Agricultural
10.305	114,013		International Science and Education Grants
10.309	4,627		Specialty Crop Research Initiative
10.310	1,793,904	216,953	Agriculture and Food Research Initiative (AFRI)
10.311	241,237	79,814	Beginning Farmer and Rancher Development Program
10.319	5,175		Farm Business Management and Benchmarking Competitive Grants Program
10.435	91,568		State Mediation Grants
10.455	36,348		Community Outreach and Assistance Partnership Program

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
10.459	11,715		Commodity Partnerships for Small Agricultural Risk Management Education Sessions
10.475	3,793,878		Cooperative Agreements with States for Intrastate Meat and Poultry Inspection
10.479	220,686		Food Safety Cooperative Agreements
10.500	13,543,131	185,907	Cooperative Extension Service
10.549	18,622		Rural Child Poverty Nutrition Center
10.557	197,686,453	50,116,564	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	88,911,703	87,886,609	Child and Adult Care Food Program
10.560	8,582,050		State Administrative Expenses for Child Nutrition
10.567	825,553	576,906	Food Distribution Program on Indian Reservations
10.572	126,844	110,428	WIC Farmers' Market Nutrition Program (FMNP)
10.576	67,973	66,603	Senior Farmers Market Nutrition Program
10.578	2,398,483		WIC Grants To States (WGS)
10.578	8,410,606	2,801	ARRA - WIC Grants To States (WGS)
10.579	553,405	22,248	Child Nutrition Discretionary Grants Limited Availability
10.582	3,785,880	3,695,667	Fresh Fruit and Vegetable Program
10.583	32,534		Hunger Free Communities
10.600	21,722		Foreign Market Development Cooperator Program
10.652	527,257		Forestry Research
10.664	3,635,893		Cooperative Forestry Assistance
10.676	2,940,628		Forest Legacy Program
10.678	173,515		Forest Stewardship Program
10.680	669,090		Forest Health Protection
10.681	28,849		Wood Education and Resource Center (WERC)
10.855	136,788		Distance Learning and Telemedicine Loans and Grants
10.902	617,603		Soil and Water Conservation
10.903	53,185		Soil Survey
10.912	277,906		Environmental Quality Incentives Program
10.960	96,627		Technical Agricultural Assistance
10.962	49,969		Cochran Fellowship Program-International Training-Foreign Participant
11	185,642	8,527	U. S. Department of Commerce
11.303	237,370		Economic Development-Technical Assistance
11.417	1,893,629	682,657	Sea Grant Support
11.419	91,025	32,697	Coastal Zone Management Administration Awards
11.431	65,546		Climate and Atmospheric Research
11.435	104,075		Southeast Area Monitoring and Assessment Program
11.439	101,726		Marine Mammal Data Program
11.440	193,470	180,021	Environmental Sciences, Applications, Data, and Education
11.459	32,514		Weather and Air Quality Research
11.460	39,360		Special Oceanic and Atmospheric Projects
11.468	30,970		Applied Meteorological Research
11.469	59,359		Congressionally Identified Awards and Projects
11.472	39,997		Unallied Science Program
11.473	39,277	2,021	Coastal Services Center
11.481	20,459		Educational Partnership Program
11.483	13,157		NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction
11.549	85,388		State and Local Implementation Grant Program
11.557	358,041		Broadband Technology Opportunities Program (BTOP)
11.557	1,662,211	44,732	ARRA - Broadband Technology Opportunities Program (BTOP)
11.609	429,538		Measurement and Engineering Research and Standards
11.611	2,291,052	115,000	Manufacturing Extension Partnership
12	2,886,556	613	U. S. Department of Defense
12.002	356,369		Procurement Technical Assistance For Business Firms
12.300	1,711,164	510,219	Basic and Applied Scientific Research
12.351	54,635		Basic Scientific Research-Combating Weapons of Mass Destruction
12.357	411,149		ROTC Language and Culture Training Grants
12.400	2,193,729		Military Construction, National Guard
12.401	21,712,473		National Guard Military Operations and Maintenance (O&M) Projects
12.404	2,989,056		National Guard ChalleNGe Program
12.420	1,082,980	195,494	Military Medical Research and Development
12.431	1,912,036	192,132	Basic Scientific Research
12.579	1,536,191		Language Training Center
12.630	625,880	64,324	Basic, Applied, and Advanced Research in Science and Engineering
12.800	814,411	538,887	Air Force Defense Research Sciences Program
12.900	193,712		Language Grant Program

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
12.901	241,758		Mathematical Sciences Grants Program
12.902	74,599		Information Security Grant Program
12.910	1,322		Research and Technology Development
13	24,588		U. S. Central Intelligence Agency
14	13,844		U. S. Department of Housing and Urban Development
14.169	19,643		Housing Counseling Assistance Program
14.171	48,225		Manufactured Home Dispute Resolution
14.231	4,071,604	3,874,371	Emergency Solutions Grant Program
14.241	2,260,585	2,176,294	Housing Opportunities for Persons with AIDS
14.401	122,637		Fair Housing Assistance Program-State and Local
14.520	881,861	49,085	Historically Black Colleges and Universities Program
14.703	131,964		Sustainable Communities Regional Planning Grant Program
14.704	711		Community Challenge Planning Grants and the Department of Transportation's TIGER II Planning Grants
14.900	369,494		Lead-Based Paint Hazard Control in Privately-Owned Housing
14.906	273,186	51,894	Healthy Homes Technical Studies Grants
15	6,249		U. S. Department of Interior
15.225	40,827		Recreation Resource Management
15.235	61,604		Southern Nevada Public Land Management
15.423	56,648		Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)
15.608	41,160		Fish and Wildlife Management Assistance
15.615	248,470		Cooperative Endangered Species Conservation Fund
15.616	26,480	20,999	Clean Vessel Act Program
15.622	272,904		Sportfishing and Boating Safety Act
15.626	277,186		Enhanced Hunter Education and Safety Program
15.630	16,306		Coastal Program
15.632	7,844		Conservation Grants Private Stewardship for Imperiled Species
15.634	1,148,700		State Wildlife Grants
15.637	89,940	46,102	Migratory Bird Joint Ventures
15.649	6,339		Service Training and Technical Assistance (Generic Training)
15.650	44,836		Research Grants (Generic)
15.657	167,077		Endangered Species Conservation-Recovery Implementation Funds
15.660	13,420		Endangered Species - Candidate Conservation Action Funds
15.663	9,840		National Fish and Wildlife Foundation
15.669	518		Cooperative Landscape Conservation
15.808	169,021		U. S. Geological Survey-Research and Data Collection
15.809	3,680		National Spatial Data Infrastructure Cooperative Agreements Program
15.810	7,374		National Cooperative Geologic Mapping Program
15.815	24,155		National Land Remote Sensing-Education Outreach and Research
15.816	29,494		Minerals Resources External Research Program
15.904	822,995	81,500	Historic Preservation Fund Grants-In-Aid
15.916	26,850		Outdoor Recreation-Acquisition, Development and Planning
15.926	12,696		American Battlefield Protection
15.931	46,093		Conservation Activities by Youth Service Organizations
15.939	20,580		National Heritage Area Federal Financial Assistance
15.945	277,359	4,500	Cooperative Research and Training Programs-Resources of the National Park System
16	386,218		U. S. Department of Justice
16.013	73,369		Violence Against Women Act Court Training and Improvement Grants
16.017	337,872	337,872	Sexual Assault Services Formula Program
16.523	651,827	620,117	Juvenile Accountability Block Grants
16.525	162,814		Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus
16.540	482,550	308,476	Juvenile Justice and Delinquency Prevention-Allocation to States
16.543	456,507		Missing Children's Assistance
16.548	72,870		Title V-Delinquency Prevention Program
16.550	32,268		State Justice Statistics Program for Statistical Analysis Centers
16.560	600,242		National Institute of Justice Research, Evaluation, and Development Project Grants
16.575	11,700,215	10,046,120	Crime Victim Assistance
16.576	2,769,332	2,656,402	Crime Victim Compensation
16.580	83,602	51,788	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program
16.582	194,027	34,434	Crime Victim Assistance/Discretionary Grants
16.585	161,319		Drug Court Discretionary Grant Program
16.588	3,847,604	2,556,829	Violence Against Women Formula Grants
16.590	220,530		Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program
16.593	463,511		Residential Substance Abuse Treatment for State Prisoners
16.606	2,827,556		State Criminal Alien Assistance Program

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
16.607	59,437		Bulletproof Vest Partnership Program
16.609	26,301	19,099	Project Safe Neighborhoods
16.710	34,908		Public Safety Partnership and Community Policing Grants
16.726	166,391	18,209	Juvenile Mentoring Program
16.727	28,865		Enforcing Underage Drinking Laws Program
16.731	3,482		Tribal Youth Program
16.735	122,627		Protecting Inmates and Safeguarding Communities Discretionary Grant Program
16.740	225,000		Statewide Automated Victim Information Notification (SAVIN) Program
16.741	1,137,351		DNA Backlog Reduction Program
16.742	484,479	116,870	Paul Coverdell Forensic Sciences Improvement Grant Program
16.746	17,244		Capital Case Litigation
16.751	185,398		Edward Byrne Memorial Competitive Grant Program
16.754	29,436	23,188	Harold Rogers Prescription Drug Monitoring Program
16.756	12,400		Court Appointed Special Advocates
16.758	24,637		Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers
16.800	1,698		Recovery Act - Internet Crimes against Children Task Force Program (ICAC)
16.816	26,965	26,965	John R. Justice Prosecutors and Defenders Incentive Act
17.002	1,795,590		Labor Force Statistics
17.005	144,802		Compensation and Working Conditions
17.225	768,142,016		Unemployment Insurance
17.225	2,039,302		ARRA - Unemployment Insurance
17.235	2,184,293	2,116,636	Senior Community Service Employment Program
17.245	11,300,921		Trade Adjustment Assistance
17.260	1,092,355		WIA Dislocated Workers
17.261	42,175		WIA Pilots, Demonstrations, and Research Projects
17.265	279,903	91,683	Native American Employment and Training
17.268	1,160,578	291,442	H-1B Job Training Grants
17.271	453,966		Work Opportunity Tax Credit Program (WOTC)
17.273	82,796		Temporary Labor Certification for Foreign Workers
17.275	65,811		ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors
17.280	147,362		Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants
17.281	1,747,841		Workforce Investment Act (WIA) Dislocated Worker National Reserve Technical Assistance and Training
17.282	10,224,594		Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants
17.502	23,088		Occupational Safety and Health-Susan Harwood Training Grants
17.503	5,173,728		Occupational Safety and Health-State Program
17.504	1,378,074		Consultation Agreements
17.600	95,282		Mine Health and Safety Grants
19.040	107,260		Public Diplomacy Programs
19.400	94,374		Academic Exchange Programs-Graduate Students
19.501	284,116		Public Diplomacy Programs for Afghanistan and Pakistan
20	276,710		U. S. Department of Transportation
20.106	22,087,866	21,552,116	Airport Improvement Program
20.218	564,757		National Motor Carrier Safety
20.231	10,000		Performance and Registration Information Systems Management
20.232	223,254		Commercial Driver's License Program Improvement Grant
20.234	210,699		Safety Data Improvement Program
20.235	57,109		Commercial Motor Vehicle Operator Training Grants
20.237	449,262		Commercial Vehicle Information Systems and Networks
20.313	(1)		Railroad Research and Development
20.314	355,918		Railroad Development
20.319	18,020		High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants
20.319	85,121,090		ARRA - High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants
20.505	1,352,213	1,177,663	Metropolitan Transportation Planning
20.509	24,184,221	23,076,548	Formula Grants for Rural Areas
20.509	2,480,450	1,953,725	ARRA - Formula Grants for Rural Areas
20.604	812,669		Safety Incentive Grants for Use of Seatbelts
20.607	1,039,389	805,666	Alcohol Open Container Requirements
20.614	9,127		National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants
20.616	1,038,148	54,297	National Priority Safety Programs
20.700	330,721		Pipeline Safety Program State Base Grant
20.703	453,713	241,671	Interagency Hazardous Materials Public Sector Training and Planning Grants
20.721	15,000		PHMSA Pipeline Safety Program One Call Grant

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
20.931	155,361		Transportation Planning, Research and Education
21.008	30,781		Low Income Taxpayer Clinics
23.001	20,109	13,574	Appalachian Regional Development (See individual Appalachian Programs)
23.011	519,358	251,751	Appalachian Research, Technical Assistance, and Demonstration Projects
30	88,600		U. S. Equal Employment Opportunity Commission
39.003	15,317,910		Donation of Federal Surplus Personal Property
42	12,296		Library of Congress
43	410,582		National Aeronautics and Space Administration
43.001	543,703	1,606	Science
43.003	830		Exploration
43.008	979		Education
43.009	55,247		Cross Agency Support
45	100,131		Federal Council on the Arts and the Humanities
45.024	41,772		Promotion of the Arts-Grants to Organizations and Individuals
45.025	786,681	777,970	Promotion of the Arts-Partnership Agreements
45.149	8,846		Promotion of the Humanities-Division of Preservation and Access
45.160	34,780		Promotion of the Humanities-Fellowships and Stipends
45.161	125,280		Promotion of Humanities-Research
45.162	24,760		Promotion of the Humanities-Teaching and Learning Resources and Curriculum Development
45.163	105,981		Promotion of the Humanities-Professional Development
45.164	4,500		Promotion of the Humanities-Federal/State Partnership
45.301	175,000		Museums for America
45.309	59,507		Museum Grants for African American History and Culture
45.310	3,843,531	2,243,723	Grants to States
45.312	93,762	13,974	National Leadership Grants
45.313	398,988		Laura Bush 21st Century Librarian Program
47	707,063		National Science Foundation
47.041	1,991,627	54,729	Engineering Grants
47.049	1,792,626	19,028	Mathematical and Physical Sciences
47.050	845,670	9,136	Geosciences
47.070	2,995,606	322,559	Computer and Information Science and Engineering
47.074	1,339,412	163,442	Biological Sciences
47.075	1,040,435	41,896	Social, Behavioral, and Economic Sciences
47.076	11,612,241	809,941	Education and Human Resources
47.078	126,943		Polar Programs
47.079	148,288		Office of International and Integrative Activities
47.080	159,726		Office of Cyberinfrastructure
47.081	36,260		Office of Experimental Program to Stimulate Competitive Research
47.082	480,001	66,523	Trans-NSF Recovery Act Reasearch Support
47.082	562,728		ARRA - Trans-NSF Recovery Act Reasearch Support
59	286,963		U. S. Small Business Administration
59.037	3,897,908		Small Business Development Centers
59.044	208,714		Veterans Business Development
59.061	446,017		State Trade and Export Promotion Pilot Grant Program
64.005	320,123		Grants to States for Construction of State Home Facilities
64.005	310,480		ARRA - Grants to States for Construction of State Home Facilities
64.018	1,553		Sharing Specialized Medical Resources
64.028	355,532		Post-9/11 Veterans Educational Assistance
64.124	392,936		All-Volunteer Force Educational Assistance
66	96,724		U. S. Environmental Protection Agency
66.032	211,569		State Indoor Radon Grants
66.034	153,436		Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act
66.040	241,587		State Clean Diesel Grant Program
66.127	23,641		Southeastern U. S. Regional Targeted Watershed Initiative
66.202	574,315		Congressionally Mandated Projects
66.432	3,868,753		State Public Water System Supervision
66.433	79,366		State Underground Water Source Protection
66.454	276,462		Water Quality Management Planning
66.456	662,843		National Estuary Program
66.460	3,825,709		Nonpoint Source Implementation Grants
66.461	8,468		Regional Wetland Program Development Grants
66.472	291,908		Beach Monitoring and Notification Program Implementation Grants
66.474	9,289		Water Protection Grants to the States

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Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
66.509	9,922		Science To Achieve Results (STAR) Research Program
66.514	16,221		Science To Achieve Results (STAR) Fellowship Program
66.516	36,689		P3 Award: National Student Design Competition for Sustainability
66.605	779,917		Performance Partnership Grants
66.608	444,186		Environmental Information Exchange Network Grant Program and Related Assistance
66.611	31,297		Environmental Policy and Innovation Grants
66.701	80,773		Toxic Substances Compliance Monitoring Cooperative Agreements
66.707	264,013		TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals
66.716	65,868		Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies
66.717	8,422		Source Reduction Assistance
66.801	2,213,320		Hazardous Waste Management State Program Support
66.802	1,464,871		Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements
66.804	796,630		Underground Storage Tank Prevention, Detection and Compliance Program
66.805	1,982,926		Leaking Underground Storage Tank Trust Fund Corrective Action Program
66.808	1,475		Solid Waste Management Assistance Grants
77	120,777		Nuclear Regulatory Commission
81	228,933		U. S. Department of Energy
81	64,438		ARRA - U. S. Department of Energy
81.041	971,496		State Energy Program
81.041	66,943		ARRA - State Energy Program
81.042	1,202,329	112,107	Weatherization Assistance for Low-Income Persons
81.042	3,619,725		ARRA - Weatherization Assistance for Low-Income Persons
81.049	61,763		Office of Science Financial Assistance Program
81.086	252,588	113,258	Conservation Research and Development
81.086	82,338		ARRA - Conservation Research and Development
81.087	843,259	131,991	Renewable Energy Research and Development
81.089	13,009		Fossil Energy Research and Development
81.117	704,938	2,100	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance
81.119	82,353		State Energy Program Special Projects
81.121	69,844		Nuclear Energy Research, Development and Demonstration
81.122	751,571		ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis
81.129	223,194	119,843	Energy Efficiency and Renewable Energy Technology Deployment, Demonstration and Commercialization
81.214	17,668		Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis
84	1,233,403	99,549	U. S. Department of Education
84.002	18,070,127	15,890,550	Adult Education - Basic Grants to States
84.010	394,726,532	389,428,566	Title I Grants to Local Educational Agencies
84.011	5,192,453	4,457,024	Migrant Education-State Grant Program
84.013	925,852	896,753	Title I State Agency Program for Neglected and Delinquent Children and Youth
84.015	232		National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program
84.031	42,196,938	95,899	Higher Education-Institutional Aid
84.048	32,781,352	16,920,331	Career and Technical Education -- Basic Grants to States
84.116	200,687	68,728	Fund for the Improvement of Postsecondary Education
84.120	833,789		Minority Science and Engineering Improvement
84.126	101,240,620		Rehabilitation Services-Vocational Rehabilitation Grants to States
84.129	167,632		Rehabilitation Long-Term Training
84.141	525,631		Migrant Education-High School Equivalency Program
84.144	60,257		Migrant Education-Coordination Program
84.160	379		Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind
84.161	318,609		Rehabilitation Services-Client Assistance Program
84.169	465,867	490,804	Independent Living-State Grants
84.177	694,918		Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind
84.181	11,674,590	2,264,886	Special Education-Grants for Infants and Families
84.187	1,123,341		Supported Employment Services for Individuals with the Most Significant Disabilities
84.196	1,629,017	1,279,402	Education for Homeless Children and Youth
84.200	974,299		Graduate Assistance in Areas of National Need
84.215	16,863		Fund for the Improvement of Education
84.224	536,312		Assistive Technology
84.265	138,607		Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training
84.287	25,717,007	24,605,841	Twenty-First Century Community Learning Centers
84.299	300,438		Indian Education-Special Programs for Indian Children
84.305	579,225	197,524	Education Research, Development and Dissemination

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
84.315	446,821		Capacity Building for Traditionally Underserved Populations
84.318	900,384	882,873	Educational Technology State Grants
84.323	1,498,465	1,366,425	Special Education - State Personnel Development
84.324	1,136,018	1,875	Research in Special Education
84.325	1,496,777	13,857	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities
84.326	1,274,897	461,833	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities
84.330	899,273		Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)
84.334	3,889,250	2,417,017	Gaining Early Awareness and Readiness for Undergraduate Programs
84.335	23,722		Child Care Access Means Parents in School
84.350	277,654	36,378	Transition to Teaching
84.358	6,017,715	5,590,695	Rural Education
84.363	659,904		School Leadership
84.365	13,443,072	12,801,886	English Language Acquisition State Grants
84.366	4,198,057	3,415,047	Mathematics and Science Partnerships
84.367	54,799,339	52,959,184	Improving Teacher Quality State Grants
84.368	141,431		Grants for Enhanced Assessment Instruments
84.369	9,694,536		Grants for State Assessments and Related Activities
84.373	455,294	43,745	Special Education-Technical Assistance on State Data Collection
84.375	1,392		Academic Competitiveness Grants
84.378	2,487,086	1,672,178	College Access Challenge Grant Program
84.382	1,639,220		Strengthening Minority-Serving Institutions
84.395	105,886,012	46,824,186	ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act
84.407	387,992	38,597	Transition Programs for Students with Intellectual Disabilities into Higher Education
84.411	545,298	88,818	Investing in Innovation (i3) Fund
84.412	13,491,808	6,053,275	Race to the Top-Early Learning Challenge
89.003	59,603		National Historical Publications and Records Grants
90.401	11,600	9,750	Help America Vote Act Requirements Payments
93	1,168,510	16,666	U. S. Department of Health and Human Services
93.041	124,643	124,643	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation
93.042	468,200	468,200	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals
93.043	515,494	514,644	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services
93.048	623,964	56,000	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects
93.051	148,095	138,554	Alzheimer's Disease Demonstration Grants to States
93.052	4,625,120	4,372,691	National Family Caregiver Support, Title III, Part E
93.065	46,497		Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure
93.069	371,690		Public Health Emergency Preparedness
93.070	483,578	62,754	Environmental Public Health and Emergency Response
93.071	674,039	640,731	Medicare Enrollment Assistance Program
93.072	163,596		Lifespan Respite Care Program
93.074	22,946,320	8,486,831	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.079	160,825		Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance
93.087	485,734	300,777	Enhance Safety of Children Affected by Substance Abuse
93.089	63,786		Emergency System for Advance Registration of Volunteer Health Professionals
93.092	1,485,515	937,628	Affordable Care Act (ACA) Personal Responsibility Education Program
93.094	625,480	321,506	Well-Integrated Screening and Evaluation for Women Across the Nation
93.103	1,220,205		Food and Drug Administration-Research
93.104	129,482	93,182	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)
93.110	193,346		Maternal and Child Health Federal Consolidated Programs
93.113	694,382		Environmental Health
93.116	2,110,500	770,040	Project Grants and Cooperative Agreements for Tuberculosis Control Programs
93.124	112,511		Nurse Anesthetist Traineeships
93.127	154,310		Emergency Medical Services for Children
93.130	323,526		Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices
93.135	18,832		Centers for Research and Demonstration for Health Promotion and Disease Prevention
93.136	987,729	380,047	Injury Prevention and Control Research and State and Community Based Programs
93.145	38,427		AIDS Education and Training Centers

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
93.150	848,709	848,841	Projects for Assistance in Transition from Homelessness (PATH)
93.153	523,723		Coordinated Services and Access to Research for Women, Infants, Children, and Youth
93.173	20,502	14,051	Research Related to Deafness and Communication Disorders
93.178	272,868		Nursing Workforce Diversity
93.191	177,768		Graduate Psychology Education Program and Patient Navigator and Chronic Disease Prevention Program
93.204	22,457		Surveillance of Hazardous Substance Emergency Events
93.211	90,999	4,000	Telehealth Programs
93.213	753,481	131,589	Research and Training in Complementary and Alternative Medicine
93.217	5,550,174	4,518,693	Family Planning-Services
93.226	13,000		Research on Healthcare Costs, Quality and Outcomes
93.234	249,533	246,432	Traumatic Brain Injury State Demonstration Grant Program
93.235	1,689,341	837,560	Affordable Care Act (ACA) Abstinence Education Program
93.236	157,161		Grants to States to Support Oral Health Workforce Activities
93.240	221,913		State Capacity Building
93.241	502,194	77,455	State Rural Hospital Flexibility Program
93.242	1,616,722	450,713	Mental Health Research Grants
93.243	3,007,689	2,148,296	Substance Abuse and Mental Health Services-Projects of Regional and National Significance
93.247	1,050,960	10,000	Advanced Nursing Education Grant Program
93.250	76,486		Geriatric Academic Career Awards
93.251	281,358		Universal Newborn Hearing Screening
93.256	881,806	570,604	State Health Access Program
93.262	151,991		Occupational Safety and Health Program
93.265	227,004		Comprehensive Geriatric Education Program(CGEP)
93.268	117,549,345	2,396,794	Immunization Cooperative Agreements
93.270	101,146		Adult Viral Hepatitis Prevention and Control
93.273	2,210,685		Alcohol Research Programs
93.276	66,131		Drug-Free Communities Support Program Grants
93.279	679,588	89,226	Drug Abuse and Addiction Research Programs
93.283	4,155,542	646,977	Centers for Disease Control and Prevention-Investigations and Technical Assistance
93.286	10,000		Discovery and Applied Research for Technological Innovations to Improve Human Health
93.296	(14,427)		State Partnership Grant Program to Improve Minority Health
93.301	222,053	213,953	Small Rural Hospital Improvement Grant Program
93.307	1,715,054	1,115	Minority Health and Health Disparities Research
93.324	161,474		State Health Insurance Assistance Program
93.351	838,214	16,318	Research Infrastructure Programs
93.358	1,322,856		Advanced Education Nursing Traineeships
93.359	45,352		Nurse Education, Practice Quality and Retention Grants
93.360	590,218		Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development
93.361	178,220		Nursing Research
93.389	232,263		National Center for Research Resources
93.393	301,608		Cancer Cause and Prevention Research
93.394	40,480		Cancer Detection and Diagnosis Research
93.395	602,417	149,259	Cancer Treatment Research
93.396	277,378		Cancer Biology Research
93.397	1,264,181	52,056	Cancer Centers Support Grants
93.398	15,860		Cancer Research Manpower
93.399	82,847		Cancer Control
93.449	219,325		Ruminant Feed Ban Support Project
93.500	1,014,058	619,096	Pregnancy Assistance Fund Program
93.505	3,082,069	2,121,440	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program
93.506	155,656		ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers
93.507	1,036,422		PPHF 2012 National Public Health Improvement Initiative
93.511	797,383		Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review
93.512	537,570		Affordable Care Act (ACA) Personal and Home Care Aide State Training Program (PHCAST)
93.517	18,185		Affordable Care Act-Aging and Disability Resource Center
93.519	545,573		Affordable Care Act (ACA)-Consumer Assistance Program Grants
93.520	167,002		Centers for Disease Control and Prevention Affordable Care Act (ACA)-Communities Putting Prevention to Work
93.521	862,775		The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements;PPHF
93.525	28,324		State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
93.531	8,545,608	5,419,668	PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds
93.539	345,840		PPHF 2012-Prevention and Public Health Fund (Affordable Care Act)-Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds
93.544	517,468		The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease prevention and Health Promotion Program
93.548	292,936	63,525	PPHF2013: State Nutrition, Physical Activity, and Obesity Programs - financed in part by 2013 PPHF
93.556	10,488,286	9,202,215	Promoting Safe and Stable Families
93.560	(63,936)		Family Support Payments to States-Assistance Payments
93.563	97,395,418	76,496,792	Child Support Enforcement
93.564	8,317		Child Support Enforcement Research
93.566	5,668,534	2,094,742	Refugee and Entrant Assistance-State Administered Programs
93.568	94,545,221	72,678,843	Low-Income Home Energy Assistance
93.569	15,369,525	14,647,367	Community Services Block Grant
93.576	1,127,961	876,851	Refugee and Entrant Assistance-Discretionary Grants
93.584	544,014	518,431	Refugee and Entrant Assistance-Targeted Assistance Grants
93.586	694,927		State Court Improvement Program
93.590	872,413	775,151	Community-Based Child Abuse Prevention Grants
93.597	239,219		Grants to States for Access and Visitation Programs
93.599	1,015,289	1,015,289	Chafee Education and Training Vouchers Program (ETV)
93.600	207,750		Head Start
93.603	644,845		Adoption Incentive Payments
93.617	211,966	211,966	Voting Access for Individuals with Disabilities-Grants to States
93.630	2,000,301	424,888	Developmental Disabilities Basic Support and Advocacy Grants
93.643	318,239	34,744	Children's Justice Grants to States
93.645	11,864,951	7,204,528	Stephanie Tubbs Jones Child Welfare Services Program
93.647	46,934		Social Services Research and Demonstration
93.648	14,377		Child Welfare Research Training or Demonstration
93.652	691,930	405,197	Adoption Opportunities
93.658	65,228,024	63,555,077	Foster Care-Title IV-E
93.658	(8,448)	(8,448)	ARRA - Foster Care-Title IV-E
93.659	50,632,330	3,531,088	Adoption Assistance
93.659	(9,042)		ARRA - Adoption Assistance
93.667	56,806,824	49,048,798	Social Services Block Grant
93.669	840,173	346,337	Child Abuse and Neglect State Grants
93.671	2,387,163	2,313,631	Family Violence Prevention and Services/Battered Women's Shelters-Grants to States and Indian Tribes
93.674	3,058,821	2,810,356	Chafee Foster Care Independence Program
93.701	82,666	5,864	Trans-NIH Recovery Act Research Support
93.701	188,832	5,816	ARRA - Trans-NIH Recovery Act Research Support
93.708	1,246,443	22,083	ARRA - Head Start
93.721	665,506	576,493	ARRA - Health Information Technology Professionals in Health Care
93.735	819,727		State Public Health Approaches for Ensuring Quitline Capacity-Funded in part by 2012 Prevention and Public Health Funds (PPHF-2012)
93.744	73,906	55,254	PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories solely financed by 2012 Prevention and Public Health Funds
93.745	94,939		PPHF-2012: Health Care Surveillance/Health Statistics-Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by 2012 Prevention and Public Health Funds (PPHF-2012)
93.750	27,764		PPHF 2013 - Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges
93.767	314,273,204	7,738,641	Children's Health Insurance Program
93.773	7,551,759		Medicare-Hospital Insurance
93.779	1,431,155	322,925	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations
93.780	196,426		Grants to States for Operation of Qualified High-Risk Pools
93.791	2,286,492		Money Follows the Person Rebalancing Demonstration
93.837	660,226		Cardiovascular Diseases Research
93.839	110,856		Blood Diseases and Resources Research
93.846	1,027,755	191,997	Arthritis, Musculoskeletal and Skin Diseases Research
93.847	1,803,635		Diabetes, Digestive, and Kidney Diseases Extramural Research
93.853	1,659,245	636,564	Extramural Research Programs in the Neurosciences and Neurological Disorders
93.855	1,192,797		Allergy, Immunology and Transplantation Research
93.859	3,546,694	5,767	Biomedical Research and Research Training
93.859	4,599		ARRA - Biomedical Research and Research Training

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SUMMARY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Program Expenditures	Subrecipient Expenditures	CFDA Program Title or Cluster Title
93.865	1,871,599	55,276	Child Health and Human Development Extramural Research
93.866	758,144	8,519	Aging Research
93.884	600,734		Grants for Primary Care Training and Enhancement
93.889	15,806		National Bioterrorism Hospital Preparedness Program
93.913	161,693		Grants to States for Operation of Offices of Rural Health
93.917	38,906,911	8,245,654	HIV Care Formula Grants
93.918	546,071		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease
93.919	3,030,482	2,156,626	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs
93.926	2,428,449	1,406,617	Healthy Start Initiative
93.928	801,181		Special Projects of National Significance
93.938	210,418		Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems
93.940	7,273,285	2,675,216	HIV Prevention Activities-Health Department Based
93.941	263,011	72,419	HIV Demonstration, Research, Public and Professional Education Projects
93.944	1,255,056		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance
93.945	532,077	103,040	Assistance Programs for Chronic Disease Prevention and Control
93.958	11,986,689	11,349,222	Block Grants for Community Mental Health Services
93.959	30,031,965	29,241,268	Block Grants for Prevention and Treatment of Substance Abuse
93.964	13,817		Prevention and Public Health Fund (PPHF) Public Health Traineeships
93.977	2,284,008	224,171	Preventive Health Services-Sexually Transmitted Diseases Control Grants
93.991	1,643,404	1,286,868	Preventive Health and Health Services Block Grant
93.994	17,374,299	14,164,480	Maternal and Child Health Services Block Grant to the States
94.002	146,715		Retired and Senior Volunteer Program
94.003	312,402		State Commissions
94.005	284		Learn and Serve America-Higher Education
94.006	3,389,851	3,389,851	AmeriCorps
94.009	6,767		Training and Technical Assistance
96.008	56,060		Social Security-Work Incentives Planning and Assistance Program
97.001	287,621		Pilot Demonstration or Earmarked Projects
97.005	154,756		State and Local Homeland Security National Training Program
97.008	65,813	65,813	Non-Profit Security Program
97.012	2,760,711		Boating Safety Financial Assistance
97.017	2,435,057	1,976,880	Pre-Disaster Mitigation (PDM) Competitive Grants
97.018	10,935		National Fire Academy Training Assistance
97.023	413,812		Community Assistance Program State Support Services Element (CAP-SSSE)
97.036	11,832,923	7,589,902	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.039	3,043,354	2,852,908	Hazard Mitigation Grant
97.041	228,097		National Dam Safety Program
97.042	8,706,524	4,234,275	Emergency Management Performance Grants
97.044	280,034		Assistance to Firefighters Grant
97.045	6,758,200		Cooperating Technical Partners
97.047	658,557	196,354	Pre-Disaster Mitigation
97.052	1,115,022	1,115,022	Emergency Operations Center
97.056	3,124,026	377,381	Port Security Grant Program
97.061	248,578	75,801	Centers for Homeland Security
97.067	17,673,316	9,352,708	Homeland Security Grant Program
97.078	580		Buffer Zone Protection Program (BZPP)
97.082	38,474	18,000	Earthquake Consortium
97.089	386,514		Driver's License Security Grant Program
97.092	124,727	107,567	Repetitive Flood Claims
97.104	31,068		Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program
97.110	6,738		Severe Repetitive Loss Program
98	51,798		United States Agency for International Development
98.012	10,066		USAID Development Partnerships for University Cooperation and Development
99	219,830	88,385	Other Federal Assistance
	\$20,960,319,028	\$3,268,701,343	Total Expenditures of Federal Awards

The accompanying notes are an integral part of this schedule.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Aging—Cluster:</u>						
<u>U. S. Department of Health and Human Services</u>						
93.044	D	N	12,808,483	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers		
93.045	D	N	16,048,462	Special Programs for the Aging-Title III, Part C-Nutrition Services		
93.053	D	N	3,256,481	Nutrition Services Incentive Program		
			<u>32,113,426</u>	Total — Aging Cluster — U. S. Department of Health and Human Services		
			<u>32,113,426</u>	Total — Aging		
<u>CCDF—Cluster:</u>						
<u>U. S. Department of Health and Human Services</u>						
93.575	D	N	134,887,032	Child Care and Development Block Grant		
93.575	I	N	101,438	Child Care and Development Block Grant	46900-621-V14UNCG009	Georgia Dept of Early Care and Learning
93.596	D	N	125,245,818	Child Care Mandatory and Matching Funds of the Child Care and Development Fun		
			<u>260,234,288</u>	Total — CCDF Cluster — U. S. Department of Health and Human Services		
			<u>260,234,288</u>	Total — CCDF		
<u>CDBG-Entitlement Grants Cluster:</u>						
<u>U. S. Department of Housing and Urban Development</u>						
14.218	I	N	6,682	Community Development Block Grants/Entitlement Grants	A13023002	City of Greenville
14.218	I	N	8,860	Community Development Block Grants/Entitlement Grants	A140012001B12DC37001	Town of Roper
14.218	I	N	7,603	Community Development Block Grants/Entitlement Grants	A140015001B12DC37001	Town of Milton
14.218	I	N	7,548	Community Development Block Grants/Entitlement Grants	A140016001B12DC37001	Town of Louisberg
14.218	I	N	7,396	Community Development Block Grants/Entitlement Grants	A140017001B12DC37001	Town of Saint Pauls
14.218	I	N	8,951	Community Development Block Grants/Entitlement Grants	A140018001B12DC37001	Town of Navassa
14.218	I	N	6,332	Community Development Block Grants/Entitlement Grants	A140019001B12DC37001	City of Raeford
14.218	I	N	7,415	Community Development Block Grants/Entitlement Grants	A140020001B12DC37001	Town of Creswell
14.218	I	N	7,465	Community Development Block Grants/Entitlement Grants	A140021001	Caswell County
14.218	I	N	15,332	Community Development Block Grants/Entitlement Grants	A140022001B12DC370001	City of New Bern
14.218	I	N	7,372	Community Development Block Grants/Entitlement Grants	A140023001B12DC37001	Town of Smithfield
14.218	I	N	9,417	Community Development Block Grants/Entitlement Grants	A140024001B12DC37001	Town of Tarboro
14.218	I	N	9,625	Community Development Block Grants/Entitlement Grants	A140025001	Brunswick County
14.218	I	N	550	Community Development Block Grants/Entitlement Grants	A140151001	City of Greenville
			<u>110,548</u>	Total — CDBG-Entitlement Grants Cluster — U. S. Department of Housing and Urban Development		
			<u>110,548</u>	Total — CDBG-Entitlement Grants		
<u>Child Nutrition—Cluster:</u>						
<u>U. S. Department of Agriculture</u>						
10.553	D	N	114,345,876	School Breakfast Program		
10.555	D	N	388,775,786	National School Lunch Program		
10.556	D	N	165,581	Special Milk Program for Children		
10.559	D	N	9,557,983	Summer Food Service Program for Children		
			<u>512,845,226</u>	Total — Child Nutrition Cluster — U. S. Department of Agriculture		
			<u>512,845,226</u>	Total — Child Nutrition		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
<u>CWSR—Cluster:</u>						
<u>U. S. Environmental Protection Agency</u>						
66.458	D	N	105,671,325	Capitalization Grants for Clean Water State Revolving Funds		
			<u>105,671,325</u>	Total — CWSR Cluster — U. S. Environmental Protection Agency		
			<u>105,671,325</u>	Total — CWSR		
<u>Disability Insurance/SSI—Cluster:</u>						
<u>Social Security Administration</u>						
96.001	D	N	58,067,297	Social Security-Disability Insurance		
			<u>58,067,297</u>	Total — Disability Insurance/SSI Cluster — Social Security Administration		
			<u>58,067,297</u>	Total — Disability Insurance/SSI		
<u>DWSR—Cluster:</u>						
<u>U. S. Environmental Protection Agency</u>						
66.468	D	N	47,469,758	Capitalization Grants for Drinking Water State Revolving Funds		
66.468	D	Y	665,233	ARRA - Capitalization Grants for Drinking Water State Revolving Funds		
			<u>48,134,991</u>	Total — DWSR Cluster — U. S. Environmental Protection Agency		
			<u>48,134,991</u>	Total — DWSR		
<u>Food Distribution—Cluster:</u>						
<u>U. S. Department of Agriculture</u>						
10.565	D	N	408,271	Commodity Supplemental Food Program		
10.568	D	N	1,503,773	Emergency Food Assistance Program (Administrative Costs)		
10.569	D	N	17,512,500	Emergency Food Assistance Program (Food Commodities)		
			<u>19,424,544</u>	Total — Food Distribution Cluster — U. S. Department of Agriculture		
			<u>19,424,544</u>	Total — Food Distribution		
<u>Employment Service—Cluster:</u>						
<u>U. S. Department of Labor</u>						
17.207	D	N	31,408,479	Employment Service/Wagner-Peyser Funded Activities		
17.801	D	N	2,165,171	Disabled Veterans' Outreach Program (DVOP)		
17.804	D	N	3,418,870	Local Veterans' Employment Representative Program		
			<u>36,992,520</u>	Total — Employment Service Cluster — U. S. Department of Labor		
			<u>36,992,520</u>	Total — Employment Service		
<u>Fish and Wildlife—Cluster:</u>						
<u>U. S. Department of Interior</u>						
15.605	D	N	9,970,640	Sport Fish Restoration Program		
15.611	D	N	11,566,984	Wildlife Restoration and Basic Hunter Education		
			<u>21,537,624</u>	Total — Fish and Wildlife Cluster — U. S. Department of Interior		
			<u>21,537,624</u>	Total — Fish and Wildlife		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Foster Grandparent/Senior Companion —Cluster:</u>						
<u>Corporation for National and Community Service</u>						
94.011	D	N	375,396	Foster Grandparent Program		
94.016	D	N	248,985	Senior Companion Program		
			<u>624,381</u>	Total — Foster Grandparent/Senior Companion Cluster — Corporation for National and Community Service		
			<u>624,381</u>	Total — Foster Grandparent/Senior Companion		
<u>Health Center Cluster:</u>						
<u>U. S. Department of Health and Human Services</u>						
93.224	D	N	2,063,562	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)		
93.224	I	N	8,000	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	110-450-4505	Natl Governors Assoc
93.224	I	N	43,774	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A120057001	Greene Co Health
93.224	I	N	34,794	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A120070001	Greene Co Health
93.224	I	N	15,966	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A130074001	Greene Co Health
93.224	I	N	2,330	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A140129001	Greene Co Health
			<u>2,168,426</u>	Total — Health Center Cluster — U. S. Department of Health and Human Services		
			<u>2,168,426</u>	Total — Health Center		
<u>Highway Planning and Construction—Cluster:</u>						
<u>U. S. Department of Transportation</u>						
20.205	D	N	1,269,272,846	Highway Planning and Construction		
20.205	D	Y	4,552,898	ARRA - Highway Planning and Construction		
20.205	I	N	97,895	Highway Planning and Construction	2010-2071	City of Durham
20.205	I	N	99,264	Highway Planning and Construction	2010-2076/PO#25864	City of Raleigh
20.205	I	N	261	Highway Planning and Construction	553206 HUEGY., J.	City of Durham
20.205	I	N	261	Highway Planning and Construction	PO #15179	City of Raleigh
20.219	D	N	878,247	Recreational Trails Program		
			<u>1,274,901,672</u>	Total — Highway Planning and Construction Cluster — U. S. Department of Transportation		
<u>U. S. Appalachian Regional Commission</u>						
23.003	D	N	6,810,573	Appalachian Development Highway System		
			<u>6,810,573</u>	Total — Highway Planning and Construction Cluster — U. S. Appalachian Regional Commissior		
			<u>1,281,712,245</u>	Total — Highway Planning and Construction		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
<i>Housing Voucher—Cluster:</i>						
<u>U. S. Department of Housing and Urban Development</u>						
14.871	D	N	4,066,597	Section 8 Housing Choice Vouchers		
			4,066,597	Total — Housing Voucher Cluster — U. S. Department of Housing and Urban Development		
			4,066,597	Total — Housing Voucher		
<i>Highway Safety—Cluster:</i>						
<u>U. S. Department of Transportation</u>						
20.600	D	N	5,898,974	State and Community Highway Safety		
20.601	D	N	2,831,741	Alcohol Impaired Driving Countermeasures Incentive Grants I		
20.602	D	N	1,106,411	Occupant Protection Incentive Grants		
20.609	D	N	731,036	Safety Belt Performance Grants		
20.610	D	N	412,122	State Traffic Safety Information System Improvement Grants		
20.612	D	N	239,208	Incentive Grant Program to Increase Motorcyclist Safety		
20.613	D	N	292,896	Child Safety and Child Booster Seats Incentive Grants		
			11,512,388	Total — Highway Safety Cluster — U. S. Department of Transportation		
			11,512,388	Total — Highway Safety		
<i>JAG Program—Cluster:</i>						
<u>U. S. Department of Justice</u>						
16.738	D	N	5,025,355	Edward Byrne Memorial Justice Assistance Grant Program		
16.738	I	N	47,124	Edward Byrne Memorial Justice Assistance Grant Program	2010-DJ-BX-0281	City of Durham
16.738	I	N	15,555	Edward Byrne Memorial Justice Assistance Grant Program	3-12165-41	Governor's Crime Commission
16.803	D	Y	214,080	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories		
			5,302,114	Total — JAG Program Cluster — U. S. Department of Justice		
			5,302,114	Total — JAG Program		
<i>Medicaid—Cluster:</i>						
<u>U. S. Department of Health and Human Services</u>						
93.775	D	N	4,008,191	State Medicaid Fraud Control Units		
93.777	D	N	5,704,178	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		
93.778	D	N	8,618,144,404	Medical Assistance Program		
			8,627,856,773	Total — Medicaid Cluster — U. S. Department of Health and Human Services		
			8,627,856,773	Total — Medicaid		
<i>Economic Development—Cluster:</i>						
<u>U. S. Department of Commerce</u>						
11.300	D	N	1,465,731	Investments for Public Works and Economic Development Facilities		
11.307	D	N	44,069	Economic Adjustment Assistance		
11.307	I	N	5,016	Economic Adjustment Assistance	04-79-06686	NC Rural Econ Dev Ct
			1,514,816	Total — Economic Development Cluster — U. S. Department of Commerce		
			1,514,816	Total — Economic Development		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
Research and Development—Cluster:						
U. S. Department of Agriculture						
10	D	N	1,886,877	U. S. Department of Agriculture		
10	I	N	23,064	U. S. Department of Agriculture	#13-052	Land-Of-Sky Regional Council
10	I	N	24,468	U. S. Department of Agriculture	1201-005	Nat'l Wildlife Fed.
10	I	N	402	U. S. Department of Agriculture	163RFP#2010-001	U.S. Endow For Forest & Comm.
10	I	N	8,693	U. S. Department of Agriculture	2013-1717	National Honey Board
10	I	N	25,156	U. S. Department of Agriculture	5150-BATTS	Rutgers Univ
10	I	N	84,664	U. S. Department of Agriculture	68393-02	Battelle Energy Alliance, LLC
10	I	N	-668	U. S. Department of Agriculture	CANFVSU-08-016	Fort Valley State Univ
10	I	N	-27,486	U. S. Department of Agriculture	E-Mail Dated 12/3/08	Farm Pilot Project Coordination, Inc
10	I	N	15,968	U. S. Department of Agriculture	N/A	Ch-Carrboro Sch Sys
10.001	D	N	1,680,923	Agricultural Research-Basic and Applied Research		
10.001	I	N	152,359	Agricultural Research-Basic and Applied Research	2011-0669	Biotechnology Res. & Dev. Corp
10.025	D	N	4,025,745	Plant and Animal Disease, Pest Control, and Animal Care		
10.025	I	N	42,666	Plant and Animal Disease, Pest Control, and Animal Care	2012-NC01-BB-IVORS	Rutgers Univ
10.025	I	N	33,001	Plant and Animal Disease, Pest Control, and Animal Care	422368-19071	Virginia Polytechnic Inst
10.025	I	N	31,911	Plant and Animal Disease, Pest Control, and Animal Care	5138-BBYR2	Rutgers Univ
10.025	I	N	58,159	Plant and Animal Disease, Pest Control, and Animal Care	RC102841A	Michigan State Univ
10.170	I	N	-2	Specialty Crop Block Grant Program-Farm Bill	2011-1883	NC Sweet Potato Comm
10.170	I	N	9,668	Specialty Crop Block Grant Program-Farm Bill	G20100016813MKT	NC Potato Assoc.
10.200	D	N	467,681	Grants for Agricultural Research, Special Research Grants		
10.200	I	N	439	Grants for Agricultural Research, Special Research Grants	12-EPP-373017-NCSU	Auburn Univ
10.200	I	N	2,462	Grants for Agricultural Research, Special Research Grants	1300214027	Univ of Florida
10.200	I	N	17,342	Grants for Agricultural Research, Special Research Grants	1400281309	Univ of Florida
10.200	I	N	15,991	Grants for Agricultural Research, Special Research Grants	1400281497	Univ of Florida
10.200	I	N	11,245	Grants for Agricultural Research, Special Research Grants	1400281501	Univ of Florida
10.200	I	N	16,882	Grants for Agricultural Research, Special Research Grants	1400281502	Univ of Florida
10.200	I	N	22,535	Grants for Agricultural Research, Special Research Grants	PO 1300213220	Univ of Florida
10.200	I	N	1,397	Grants for Agricultural Research, Special Research Grants	PO# 1000184269	Univ of Florida
10.200	I	N	2,354	Grants for Agricultural Research, Special Research Grants	PO# 1300213395	Univ of Florida
10.200	I	N	515	Grants for Agricultural Research, Special Research Grants	RF330-451/4893136	Univ of Georgia
10.200	I	N	41,530	Grants for Agricultural Research, Special Research Grants	RF330-483/4353708	Univ of Georgia
10.200	I	N	11,472	Grants for Agricultural Research, Special Research Grants	UM-S856	Univ of Maine
10.200	I	N	3,655	Grants for Agricultural Research, Special Research Grants	UM-S950	Univ of Maine
10.200	I	N	8,976	Grants for Agricultural Research, Special Research Grants	UMS-900	Univ of Maine
10.202	D	N	1,034,223	Cooperative Forestry Research		
10.203	D	N	8,010,099	Payments to Agricultural Experiment Stations Under the Hatch Act		
10.205	D	N	1,912,493	Payments to 1890 Land-Grant Colleges and Tuskegee University		
10.206	D	N	2,258,798	Grants for Agricultural Research-Competitive Research Grants		
10.207	D	N	64,331	Animal Health and Disease Research		
10.210	D	N	130,816	Higher Education - Graduate Fellowships Grant Program		
10.212	I	N	35,512	Small Business Innovation Research	N/A	Innovative Educ Reso
10.215	I	N	30,727	Sustainable Agriculture Research and Education	RD309-105/4690188	Univ of Georgia
10.215	I	N	174	Sustainable Agriculture Research and Education	RD309-105/4786556	Univ of Georgia
10.215	I	N	172	Sustainable Agriculture Research and Education	RD309-105/4786686	Univ of Georgia
10.215	I	N	56,097	Sustainable Agriculture Research and Education	RD309-109/4786256	Univ of Georgia
10.215	I	N	2,275	Sustainable Agriculture Research and Education	RD309-109/4892096	Univ of Georgia
10.215	I	N	5,168	Sustainable Agriculture Research and Education	RD309-109/4892146	Univ of Georgia
10.215	I	N	7,113	Sustainable Agriculture Research and Education	RD309-117/4940216	Univ of Georgia Res Fdn
10.215	I	N	6,024	Sustainable Agriculture Research and Education	RD309-117/4940336	Univ of Georgia

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
10.215	I	N	68,061	Sustainable Agriculture Research and Education	RD309-122/4940076	Univ of Georgia
10.215	I	N	65,027	Sustainable Agriculture Research and Education	RD309-122/4940246	Univ of Georgia
10.215	I	N	4,967	Sustainable Agriculture Research and Education	RD309-125/4940916	Univ of Georgia
10.216	D	N	1,028,959	1890 Institution Capacity Building Grants		
10.216	I	N	13,429	1890 Institution Capacity Building Grants	2010-20571-NCA&T	Univ of Maryland Eastern Shore
10.216	I	N	4,604	1890 Institution Capacity Building Grants	Subaward#:CANFVSU-13-011	Fort Valley State Univ
10.217	D	N	90,391	Higher Education - Institution Challenge Grants Program		
10.219	D	N	302,180	Biotechnology Risk Assessment Research		
10.250	D	N	145,682	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations		
10.253	I	N	755	Food Assistance and Nutrition Research Programs (FANRP)	62140-9609	Cornell Univ
10.303	D	N	1,345,528	Integrated Programs		
10.303	I	N	93,715	Integrated Programs	1300213234	Univ of Florida
10.303	I	N	107,345	Integrated Programs	347K060	Univ of Wisconsin
10.303	I	N	80,057	Integrated Programs	60025287 PO: RF01254093	Ohio State Univ
10.303	I	N	1,439	Integrated Programs	61-4299B	Michigan State Univ
10.303	I	N	18,158	Integrated Programs	RF330-411/3843858	Univ of Georgia
10.305	D	N	49,863	International Science and Education Grants		
10.306	I	N	3,231	Biodiesel	416-40-39B	Iowa State Univ
10.307	D	N	360,331	Organic Agriculture Research and Extension Initiative		
10.307	I	N	29,529	Organic Agriculture Research and Extension Initiative	4821	Rutgers Univ
10.307	I	N	42,111	Organic Agriculture Research and Extension Initiative	67385-9950	Cornell Univ
10.307	I	N	12,103	Organic Agriculture Research and Extension Initiative	67835-9950	Cornell Univ
10.307	I	N	81,248	Organic Agriculture Research and Extension Initiative	8500028703	Univ of Tennessee
10.307	I	N	36,381	Organic Agriculture Research and Extension Initiative	C0421A-A	Oregon State Univ
10.309	D	N	1,141,125	Specialty Crop Research Initiative		
10.309	I	N	68,508	Specialty Crop Research Initiative	350K836	Univ of Wisconsin
10.309	I	N	199,359	Specialty Crop Research Initiative	422179-19071	Virginia Polytechnic Inst
10.309	I	N	31,890	Specialty Crop Research Initiative	43897	Louisiana State Univ
10.309	I	N	97,000	Specialty Crop Research Initiative	61314-9364	Cornell Univ
10.309	I	N	381,616	Specialty Crop Research Initiative	G-1414-1	Colorado State Univ
10.309	I	N	6,020	Specialty Crop Research Initiative	PO:6605009 Agri Econ & Busi	Univ of Arkansas
10.309	I	N	6,660	Specialty Crop Research Initiative	RC299-380/3503828	Univ of Georgia
10.309	I	N	29,048	Specialty Crop Research Initiative	S110021 2011-51181-21064	Texas A&M Univ
10.309	I	N	90,786	Specialty Crop Research Initiative	UF10226	Univ of Florida
10.310	D	N	7,436,081	Agriculture and Food Research Initiative (AFRI)		
10.310	I	N	24,890	Agriculture and Food Research Initiative (AFRI)	115334 G002890	Washington State Univ
10.310	I	N	7,016	Agriculture and Food Research Initiative (AFRI)	13-USDA-1015	Duke Univ
10.310	I	N	846	Agriculture and Food Research Initiative (AFRI)	2000041386-AG	Purdue Univ
10.310	I	N	45,445	Agriculture and Food Research Initiative (AFRI)	201223090-03	Univ of Cal-Davis
10.310	I	N	16,144	Agriculture and Food Research Initiative (AFRI)	238371A	Univ of Oregon
10.310	I	N	3,697	Agriculture and Food Research Initiative (AFRI)	25-6238-0581-002	Univ of Nebraska-Lincoln
10.310	I	N	134,431	Agriculture and Food Research Initiative (AFRI)	25574 2011-67003-30228	Univ of Delaware
10.310	I	N	79,643	Agriculture and Food Research Initiative (AFRI)	416-40-90B / PO#139528223	Iowa State Univ
10.310	I	N	63,253	Agriculture and Food Research Initiative (AFRI)	422192-19071	Virginia Polytechnic Inst
10.310	I	N	15,870	Agriculture and Food Research Initiative (AFRI)	422370-19071	Virginia Polytechnic Inst
10.310	I	N	6,287	Agriculture and Food Research Initiative (AFRI)	562981/PO#3175200	Univ of Pennsylvania
10.310	I	N	2,913	Agriculture and Food Research Initiative (AFRI)	718253-712683	Virginia Institute of Marine
10.310	I	N	61,223	Agriculture and Food Research Initiative (AFRI)	8000033673-AG	Purdue Univ
10.310	I	N	199,956	Agriculture and Food Research Initiative (AFRI)	8000053331-AG	Purdue Univ
10.310	I	N	34,249	Agriculture and Food Research Initiative (AFRI)	85000024594	Univ of Tennessee-Knoxville

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
10.310	I	N	665,535	Agriculture and Food Research Initiative (AFRI)	8500022696	Univ of Tennessee
10.310	I	N	52,727	Agriculture and Food Research Initiative (AFRI)	PROJ #3266 PO #T058583	Emory Univ
10.310	I	N	150,666	Agriculture and Food Research Initiative (AFRI)	S-000472	Univ of Cal-Riverside
10.310	I	N	1,198	Agriculture and Food Research Initiative (AFRI)	S14148	Kansas State Univ
10.310	I	N	7,251	Agriculture and Food Research Initiative (AFRI)	UM-S943	Univ of Maine
10.312	I	N	353,867	Biomass Research and Development Initiative Competitive Grants Program (BRDI)	3048109826-058	Univ of Kentucky Res. Found.
10.312	I	N	368,954	Biomass Research and Development Initiative Competitive Grants Program (BRDI)	UFSSVSVC201274	Domtar Paper Company, LLC
10.312	I	N	199,131	Biomass Research and Development Initiative Competitive Grants Program (BRDI)	UFSSVSVC201280	Domtar Paper Company, LLC
10.313	I	N	31,685	Veterinary Medicine Loan Repayment Program	Subaward Agmt 62524.9499	Cornell Univ
10.319	I	N	5,307	Farm Business Management and Benchmarking Competitive Grants Program	RE670-421/4943126	Univ of Georgia
10.320	I	N	64,067	Sun Grant Program	8500032072	Univ of Tennessee
10.320	I	N	24,991	Sun Grant Program	S13001	Kansas State Univ
10.443	D	N	98,819	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers		
10.459	D	N	10,267	Commodity Partnerships for Small Agricultural Risk Management Education Sessions		
10.500	D	N	574,900	Cooperative Extension Service		
10.500	I	N	11,507	Cooperative Extension Service	21663-17 PO#P0040669	Univ of Arkansas
10.500	I	N	-6,586	Cooperative Extension Service	24060	Univ of Arizona
10.500	I	N	6,667	Cooperative Extension Service	A004160403	Univ of Minnesota
10.500	I	N	200,047	Cooperative Extension Service	RE580-377/49405	Univ of Georgia
10.500	I	N	3,480	Cooperative Extension Service	RE675-161/4786336	Univ of Georgia
10.500	I	N	131	Cooperative Extension Service	RR580-375/47855	Univ of Georgia
10.652	D	N	545,914	Forestry Research		
10.680	D	N	157,550	Forest Health Protection		
10.680	I	N	2,825	Forest Health Protection	CAES-VL-2011-02	Connecticut Agr'l Exp Station
10.902	D	N	20,155	Soil and Water Conservation		
10.903	D	N	40,411	Soil Survey		
10.905	D	N	3,215	Plant Materials for Conservation		
10.912	D	N	185,633	Environmental Quality Incentives Program		
10.961	D	N	36,320	Scientific Cooperation and Research		
			<u>40,239,750</u>	Total — Research and Development — U. S. Department of Agriculture		

U. S. Department of Commerce

11	D	N	290,420	U. S. Department of Commerce		
11	I	N	38,635	U. S. Department of Commerce	CCU NO. 2012.02/SA12-CCU0	Coastal Carolina Univ
11	I	N	-64	U. S. Department of Commerce	IOOS.11(033)UNC	SECOORA-SE Coasta
11	I	N	21,066	U. S. Department of Commerce	PO 4600232822	SC DNR
11	I	N	86,894	U. S. Department of Commerce	UTA13-000443	Univ of Texas-Austin
11.012	I	N	-61	Integrated Ocean Observing System (IOOS)	2011-001	SURA(SE Univ Rsch)
11.012	I	N	10,471	Integrated Ocean Observing System (IOOS)	2013-001	SURA(SE Univ Rsch)
11.012	I	N	46,919	Integrated Ocean Observing System (IOOS)	IOO.11(033)NCSU.RH.MOD.3	Secoora
11.012	I	N	16,851	Integrated Ocean Observing System (IOOS)	IOOS.11(033)NCSU.LX.MOD.2	Secoora
11.012	I	N	19,732	Integrated Ocean Observing System (IOOS)	IOOS.11(033)NCSU.LX.MOD.3	Secoora
11.012	I	N	118,854	Integrated Ocean Observing System (IOOS)	IOOS.11(033)NCSU.RH.MOD.2	Secoora
11.012	I	N	110,379	Integrated Ocean Observing System (IOOS)	IOOS.11(033)UNC	SECOORA-SE Coasta
11.012	I	N	77,527	Integrated Ocean Observing System (IOOS)	IOOS.11(033)UNCW.LL.OBS.3	Secoora
11.012	I	N	310,581	Integrated Ocean Observing System (IOOS)	IOOS.11(33)UNCW.LL.OBS.2	Secoora
11.303	D	N	425,796	Economic Development-Technical Assistance		
11.407	D	N	35,501	Interjurisdictional Fisheries Act of 1986		
11.417	D	N	628	Sea Grant Support		
11.417	I	N	17,891	Sea Grant Support	37573299	Univ of So. Calif. Sea Grant

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
11.417	I	N	1,131	Sea Grant Support	RO1607	Florida State Univ
11.419	D	N	2,469,573	Coastal Zone Management Administration Awards		
11.419	I	N	16,835	Coastal Zone Management Administration Awards	5088 / PO #S1911101	Rutgers Univ
11.420	D	N	709,812	Coastal Zone Management Estuarine Research Reserves		
11.427	D	N	16,728	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program		
11.431	D	N	105,819	Climate and Atmospheric Research		
11.431	I	N	43,689	Climate and Atmospheric Research	12-2017 13540-FA93	Univ of South Carolina
11.431	I	N	1,697	Climate and Atmospheric Research	13-2322	Univ of South Carolina
11.431	I	N	7,404	Climate and Atmospheric Research	41653/13540-FA9	Univ of South Carolina
11.431	I	N	33,171	Climate and Atmospheric Research	52157/ 13-2321	Univ of South Carolina
11.431	I	N	190,991	Climate and Atmospheric Research	UF-EIES-1100031-NCS	Univ of Florida
11.432	I	N	3,926	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	URH35 (2.3)	Florida Atlantic Univ
11.432	I	N	215,695	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	URH35-040130	Florida Atlantic Univ
11.432	I	N	11,680	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	Z763601	Univ of Maryland
11.433	I	N	-176	Marine Fisheries Initiative	2299KH-UNC-01	Daupin Island Sea La
11.434	D	N	136,465	Cooperative Fishery Statistics		
11.439	D	N	77,967	Marine Mammal Data Program		
11.440	I	N	139,523	Environmental Sciences, Applications, Data, and Education	2009-1380-01	Univ of Maryland
11.440	I	N	74,459	Environmental Sciences, Applications, Data, and Education	2009-1380-02	Univ of Maryland
11.440	I	N	7,053,572	Environmental Sciences, Applications, Data, and Education	Z763701	Univ of Maryland
11.459	D	N	176,229	Weather and Air Quality Research		
11.463	D	N	13,849	Habitat Conservation		
11.463	I	N	2,586	Habitat Conservation	05122014.3888.01	Nature Conservancy
11.463	I	N	29,531	Habitat Conservation	10012013.3888.0	Nature Conservancy
11.467	I	N	15,374	Meteorologic and Hydrologic Modernization Development	NA10NWS4670015	East Tennessee State Univ
11.467	I	N	4,334	Meteorologic and Hydrologic Modernization Development	Z11-91838	Univ Corp Atmos Res
11.472	I	N	10,256	Unallied Science Program	sub NA10NMF4720402	Ptnrshp for Mid Atlantic Fisheries Science
11.474	D	N	358,133	Atlantic Coastal Fisheries Cooperative Management Act		
11.478	I	N	15,377	Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	A100517 / 24024502	Woods Hole Oceanographic Inst.
11.478	I	N	65,784	Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	A100897	Woods Hole Oceanographic Inst.
11.481	D	N	-8,792	Educational Partnership Program		
11.609	D	N	6,385	Measurement and Engineering Research and Standards		
11.609	I	N	3,979	Measurement and Engineering Research and Standards	140100153	Concurrent Technologies
11.611	D	N	233,000	Manufacturing Extension Partnership		
11.618	D	Y	1,674,728	ARRA - National Institute of Standards and Technology Construction Grant Program		
			<u>15,538,734</u>	Total — Research and Development — U. S. Department of Commerce		

U. S. Department of Defense

12	D	N	7,830,291	U. S. Department of Defense		
12	I	N	13,486	U. S. Department of Defense	10-S590-0004-02-C15	Universal Technology Corporation
12	I	N	18,488	U. S. Department of Defense	10240.01	Soar Technology, Inc.
12	I	N	230,438	U. S. Department of Defense	11-S590-0004-02-C18	Universal Technology Corporation
12	I	N	42,594	U. S. Department of Defense	111000088	Concurrent Technologies
12	I	N	-1,926	U. S. Department of Defense	1176733	Sandia National Labs
12	I	N	19,464	U. S. Department of Defense	12-S7116-001	Universal Technology Corporation
12	I	N	1,700	U. S. Department of Defense	12084021/980402	MD Anderson Canc Ctr
12	I	N	144,787	U. S. Department of Defense	121219CAAW	Atherton Quantum Insight, LLC
12	I	N	61,016	U. S. Department of Defense	13-001/W911NF-12-2-0064	Cree, Inc.
12	I	N	21,092	U. S. Department of Defense	13-002	Cree, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
12	I	N	10,040	U. S. Department of Defense	13-06-NCSU	CU Aerospace
12	I	N	73,540	U. S. Department of Defense	14-01	Applied Mathematics, Inc.
12	I	N	4,500	U. S. Department of Defense	14-ARO-1099	Duke Univ
12	I	N	67,526	U. S. Department of Defense	14-S590-0004-02-C25	Universal Technology Corporation
12	I	N	48	U. S. Department of Defense	166125	Duke Univ Med Ctr
12	I	N	121,669	U. S. Department of Defense	17118	Advanced Cooling Technologies
12	I	N	172,347	U. S. Department of Defense	2-340-0213337/8	RTI Rsch Triangle In
12	I	N	88,996	U. S. Department of Defense	20-88172	Benedict College
12	I	N	27,634	U. S. Department of Defense	2001-NCS1309	SA Photonics
12	I	N	646	U. S. Department of Defense	2012-0008	Kyma Technologies, Inc.
12	I	N	63,802	U. S. Department of Defense	2012-2080	NJ Microsystems, Inc.
12	I	N	1,547	U. S. Department of Defense	2012-2194	NLA Diagnostics, LLC
12	I	N	52,445	U. S. Department of Defense	2013-2335	Computational Sciences, LLC
12	I	N	47,949	U. S. Department of Defense	2013-2338	Agnitron Technology, Inc.
12	I	N	34,034	U. S. Department of Defense	2013-2643	NLA Diagnostics, LLC
12	I	N	30,031	U. S. Department of Defense	2014-0309	Performance Polymer Solutions
12	I	N	33,709	U. S. Department of Defense	2014-0517	Tai-Yang Research Co.
12	I	N	99,766	U. S. Department of Defense	206-000062	SRI International
12	I	N	-3,200	U. S. Department of Defense	25-0521-156-003	Univ of Nebraska
12	I	N	25,851	U. S. Department of Defense	3061-DPA-1T/NC State	Luna Innovations, Inc.
12	I	N	70,240	U. S. Department of Defense	313-0111	Duke Univ Med Ctr
12	I	N	9,045	U. S. Department of Defense	316091	Univ of Maryland
12	I	N	76,023	U. S. Department of Defense	7000235297	MA Insti Technology
12	I	N	73,060	U. S. Department of Defense	7500-2	Hi-Z Technology Inc.
12	I	N	123,532	U. S. Department of Defense	888-11-16-04/1-	RTI Rsch Triangle In
12	I	N	629,964	U. S. Department of Defense	888-11-16-04/5-	RTI Rsch Triangle In
12	I	N	23,677	U. S. Department of Defense	940295	MD Anderson Canc Ctr
12	I	N	3,269	U. S. Department of Defense	9920120010	Rand Corporation, Inc
12	I	N	22,052	U. S. Department of Defense	A100953	Woods Hole Oceanographic Inst.
12	I	N	36,860	U. S. Department of Defense	ATO-06	Banyan Systems Inc
12	I	N	8,648	U. S. Department of Defense	CW197748 PO# DP1520192	E. I. Dupont
12	I	N	27,579	U. S. Department of Defense	Check #0178400	Voorhees College
12	I	N	11,155	U. S. Department of Defense	Departmental Approval In Process	Scientific Research Corporation (SRC)
12	I	N	7,154	U. S. Department of Defense	FA4600-12-D-900	Natl Strategic Rsch
12	I	N	80,224	U. S. Department of Defense	FA8750-13-C-0167	Securboraton, Inc.
12	I	N	114,180	U. S. Department of Defense	N/A	Impulsonic Inc
12	I	N	105,303	U. S. Department of Defense	N00014-10-C-033	Entegriion Inc
12	I	N	76,959	U. S. Department of Defense	NCAT 12-S-567-018-02-C2	Clarkson Aerospace
12	I	N	9,788	U. S. Department of Defense	NCAT 13-S7700-01-C2	Clarkson Aerospace
12	I	N	28,235	U. S. Department of Defense	NOOO 14-13-P-1158-NCAT	Mercury Data Systems, Inc.
12	I	N	17,600	U. S. Department of Defense	P000015327	Serco-N America
12	I	N	93,807	U. S. Department of Defense	PO NO.: 4400324500	Raytheon
12	I	N	39,158	U. S. Department of Defense	PORD212018	Fulcrum IT Services, LLC
12	I	N	103,063	U. S. Department of Defense	RES508103	Case W. Reserve Univ
12	I	N	29,695	U. S. Department of Defense	S-000066.00011.	Applied Research Association
12	I	N	29,396	U. S. Department of Defense	S-001460.00000.	Applied Research Association
12	I	N	300,112	U. S. Department of Defense	S-001460.00001.	Applied Research Association
12	I	N	82,640	U. S. Department of Defense	S911580	Emory Univ
12	I	N	410	U. S. Department of Defense	SA00007008	Univ Of Cal-Berkeley
12	I	N	63,889	U. S. Department of Defense	SC-NCSU-3207	Performance Polymer Solutions
12	I	N	234,180	U. S. Department of Defense	SP3877	TNO Innovation For Life

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
12	I	N	72,113	U. S. Department of Defense	SR20132300	Scientific Research Corporation (SRC)
12	I	N	46,722	U. S. Department of Defense	TUL-571-08/09	Tulane Univ
12	I	N	113	U. S. Department of Defense	W81XWH-08-1-076	American Burn Association
12	I	N	163,210	U. S. Department of Defense	W912HQ-11-C-0058	Strategic Envir Rsch & Dev Pgm
12	I	N	3,306	U. S. Department of Defense	XWH0810683	American Burn Association
12.114	I	N	496	Collaborative Research and Development	2000457356	Johns Hopkins Univ
12.300	D	N	4,248,028	Basic and Applied Scientific Research		
12.300	I	N	86	Basic and Applied Scientific Research	07-S130735	Texas A&M Univ
12.300	I	N	1,265	Basic and Applied Scientific Research	421-20-30	Iowa State Univ
12.300	I	N	40	Basic and Applied Scientific Research	4478-UNC-ONR-05	Penn State Univ
12.300	I	N	10,204	Basic and Applied Scientific Research	549001	Texas A&M Univ
12.300	I	N	-898	Basic and Applied Scientific Research	570723	Texas A&M Univ
12.300	I	N	179,628	Basic and Applied Scientific Research	705017	Univ of Wash-Seattle
12.300	I	N	108,685	Basic and Applied Scientific Research	A100752	Woods Hole Ocea Inst
12.300	I	N	13,227	Basic and Applied Scientific Research	AE-5-51182	Oklahoma State Univ
12.300	I	N	26,580	Basic and Applied Scientific Research	KK8154	Univ of Cal-Santa Barbara
12.351	D	N	1,413,578	Basic Scientific Research-Combating Weapons of Mass Destruction		
12.360	D	N	183,567	Research on Chemical and Biological Defense		
12.420	D	N	3,105,598	Military Medical Research and Development		
12.420	I	N	97,197	Military Medical Research and Development	2408	Henry M Jackson Fdn
12.420	I	N	91,308	Military Medical Research and Development	313-0474	Duke Univ
12.420	I	N	110,484	Military Medical Research and Development	3139703	Duke Univ
12.420	I	N	3,686	Military Medical Research and Development	35-2005-2016-00	Univ of NE Med Ctr
12.420	I	N	73,369	Military Medical Research and Development	557297	Univ of Pennsylvania
12.420	I	N	1,496	Military Medical Research and Development	6648SC	Univ Calif San Frans
12.420	I	N	29,801	Military Medical Research and Development	806117	Henry M Jackson Fdn
12.420	I	N	111,903	Military Medical Research and Development	N/A	Allina Health Syste
12.420	I	N	9,040	Military Medical Research and Development	PO#41749/ 12-20	Univ of South Carolina
12.420	I	N	14,323	Military Medical Research and Development	S-1278-01	Geneva Foundation
12.431	D	N	10,676,488	Basic Scientific Research		
12.431	I	N	177,654	Basic Scientific Research	4020-NCSU-USA-0525	Pennsylvania State Univ
12.431	I	N	17,889	Basic Scientific Research	4104-39127	Purdue Univ
12.431	I	N	119,303	Basic Scientific Research	515120	Columbia Univ
12.431	I	N	94,941	Basic Scientific Research	5710003334	Mass. Inst. Of Tech.
12.431	I	N	39,546	Basic Scientific Research	60154614-51142-	Stanford Univ
12.431	I	N	213,612	Basic Scientific Research	GC1641	Gridco Systems
12.431	I	N	16,963	Basic Scientific Research	SA1107012	Univ of Arkansas
12.431	I	N	56,868	Basic Scientific Research	Z845802	Univ of Maryland
12.556	I	N	27,416	Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	DODEA	Harnett County School
12.630	D	N	436,832	Basic, Applied, and Advanced Research in Science and Engineering		
12.630	I	N	69,617	Basic, Applied, and Advanced Research in Science and Engineering	4056-NCSU-BBN-0053 YR4	Pennsylvania State Univ
12.630	I	N	26,597	Basic, Applied, and Advanced Research in Science and Engineering	4056-NCSU-BBN-0053 YR5	Pennsylvania State Univ
12.630	I	N	217,605	Basic, Applied, and Advanced Research in Science and Engineering	W9132T-11-2-0007	Co-Op Ecosystem Studies Unit
12.800	D	N	1,590,758	Air Force Defense Research Sciences Program		
12.800	I	N	57,651	Air Force Defense Research Sciences Program	10008276-NCSU	Bowling Green State Univ
12.800	I	N	4,732	Air Force Defense Research Sciences Program	1590-NCSU	Scientific Systems Co. Inc.
12.800	I	N	13	Air Force Defense Research Sciences Program	2000933690	Johns Hopkins Univ
12.800	I	N	11,266	Air Force Defense Research Sciences Program	20140179	Nat'l Ctr For Defense Manufact
12.800	I	N	77,462	Air Force Defense Research Sciences Program	26473	Univ of Delaware
12.800	I	N	49,272	Air Force Defense Research Sciences Program	4104-34945	Purdue Univ

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
12.800	I	N	123,912	Air Force Defense Research Sciences Program	41986	Univ of South Carolina
12.800	I	N	105,056	Air Force Defense Research Sciences Program	421-20-31B	Iowa State Univ
12.800	I	N	191,021	Air Force Defense Research Sciences Program	450169-19071	Virginia Polytechnic Inst
12.800	I	N	2,590	Air Force Defense Research Sciences Program	5011-NCSU-AFOSR-0067	Pennsylvania State Univ
12.800	I	N	4,300	Air Force Defense Research Sciences Program	800002123-01	Florida Int'l Univ
12.800	I	N	89,923	Air Force Defense Research Sciences Program	800002123-02	Florida Int'l Univ
12.800	I	N	66,037	Air Force Defense Research Sciences Program	GG11221-133958	Univ of Virginia
12.800	I	N	84,148	Air Force Defense Research Sciences Program	GG11604-141694	Univ of Virginia
12.800	I	N	118,508	Air Force Defense Research Sciences Program	RSC12035	Univ of Dayton
12.900	D	N	84,355	Language Grant Program		
12.901	D	N	111,146	Mathematical Sciences Grants Program		
12.910	D	N	4,170,073	Research and Technology Development		
12.910	I	N	151,312	Research and Technology Development	450124-19467	Virginia Polytechnic Inst
12.910	I	N	181,526	Research and Technology Development	489887	Univ of Toronto
12.910	I	N	1,807	Research and Technology Development	4912065920.0	IBM
12.910	I	N	39,349	Research and Technology Development	G2457-1	Colorado State Univ
			<u>41,490,910</u>	Total — Research and Development — U. S. Department of Defense		

U. S. Department of Housing and Urban Development

14	D	N	49,175	U. S. Department of Housing and Urban Development		
14	I	N	74	U. S. Department of Housing and Urban Development	2013-5-35 MBE	A.P. Sloan Found.
14	I	N	8,523	U. S. Department of Housing and Urban Development	30060	ABT Assoc Inc
14.516	D	N	8,037	Doctoral Dissertation Research Grants		
14.906	D	N	<u>270,374</u>	Healthy Homes Technical Studies Grants		
			<u>336,183</u>	Total — Research and Development — U. S. Department of Housing and Urban Development		

U. S. Department of Interior

15	D	N	998,485	U. S. Department of Interior		
15	I	N	24,814	U. S. Department of Interior	2012-05044-02	Univ of Illinois
15	I	N	24	U. S. Department of Interior	CJC2006-2012-SVS-2	Louis Berger Group, Inc.
15	I	N	20,846	U. S. Department of Interior	FP40339	Univ of Alaska
15	I	N	29,601	U. S. Department of Interior	P010144198	Leidos, Inc (Formerly SAIC)
15.232	D	N	273,469	Wildland Fire Research and Studies Program		
15.406	D	N	35,512	National Park Service Centennial Challenge.		
15.423	D	N	341,567	Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)		
15.605	I	N	17,203	Sport Fish Restoration Program	2009-001483-B	Puerto Rico DENR
15.605	I	N	205,863	Sport Fish Restoration Program	2014-000065 A	Puerto Rico DENR
15.608	D	N	38,646	Fish and Wildlife Management Assistance		
15.611	I	N	64,595	Wildlife Restoration and Basic Hunter Education	2014-000005	Puerto Rico DENR
15.611	I	N	98,339	Wildlife Restoration and Basic Hunter Education	2014-000005-A	Puerto Rico DENR
15.611	I	N	132,455	Wildlife Restoration and Basic Hunter Education	2014-000111	Puerto Rico DENR
15.630	D	N	4,596	Coastal Program		
15.637	I	N	15,959	Migratory Bird Joint Ventures	080300.331304.01	Mississippi State Univ
15.637	I	N	22,160	Migratory Bird Joint Ventures	191000.33131.08	Mississippi State Univ
15.650	D	N	22,764	Research Grants (Generic)		
15.657	D	N	856	Endangered Species Conservation-Recovery Implementation Funds		
15.664	I	N	47,428	Fish and Wildlife Coordination and Assistance Programs	2011-11	Wildlife Mgmt Inst
15.668	I	N	172,464	Coastal Impact Assistance Program	AQRUNC	Houston Adv Res Ctr
15.669	D	N	43,072	Cooperative Landscape Conservation		

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
15.805	D	N	11,607	Assistance to State Water Resources Research Institutes		
15.808	D	N	141,554	U. S. Geological Survey-Research and Data Collection		
15.810	D	N	8,550	National Cooperative Geologic Mapping Program		
15.812	D	N	1,598,085	Cooperative Research Units Program		
15.820	D	N	859,645	National Climate Change and Wildlife Science Center		
15.904	I	N	2,044	Historic Preservation Fund Grants-In-Aid	54105-A	Western Washington Univ
15.945	D	N	132,603	Cooperative Research and Training Programs-Resources of the National Park System		
15.945	I	N	12,472	Cooperative Research and Training Programs-Resources of the National Park System	Subaward 13-2214	Univ of South Carolina
15.954	D	N	19,912	National Park Service Conservation, Protection, Outreach, and Education		
15.979	D	N	9,981	Hurricane Sandy Program		
			<u>5,407,171</u>	Total — Research and Development — U. S. Department of Interior		
<u>U. S. Department of Justice</u>						
16	D	N	510,297	U. S. Department of Justice		
16	I	N	70,054	U. S. Department of Justice	13-DOJ-1022	Duke Univ
16.525	D	N	24,243	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus		
16.560	D	N	144,969	National Institute of Justice Research, Evaluation, and Development Project Grants		
16.560	I	N	27,351	National Institute of Justice Research, Evaluation, and Development Project Grants	4000121918	UT-Battelle LLC
			<u>776,914</u>	Total — Research and Development — U. S. Department of Justice		
<u>U. S. Department of State</u>						
19	I	N	656,045	U. S. Department of State	N/A	Alvarez & Associates
19.040	D	N	28,551	Public Diplomacy Programs		
19.415	D	N	212,828	Professional and Cultural Exchange Programs - Citizen Exchanges		
			<u>897,424</u>	Total — Research and Development — U. S. Department of State		
<u>U. S. Department of Transportation</u>						
20	D	N	2,066,671	U. S. Department of Transportation		
20	I	N	22,230	U. S. Department of Transportation	07-UNCCH-E1	Univ of Tennessee
20	I	N	1,902	U. S. Department of Transportation	106423-712000	Mississippi Archiv Hi
20	I	N	18,400	U. S. Department of Transportation	1201259 TO 0003	Transanalytics
20	I	N	7,996	U. S. Department of Transportation	13568	Kittelson & Associates, Inc.
20	I	N	184,425	U. S. Department of Transportation	1500-004-016-CS	CDM Smith
20	I	N	60,192	U. S. Department of Transportation	17264	Kittelson & Associates, Inc.
20	I	N	21,542	U. S. Department of Transportation	3521-NCSU-S	The Cadmus Group, Inc
20	I	N	389,378	U. S. Department of Transportation	38049-01	Vanasse Hangen Brust
20	I	N	52,186	U. S. Department of Transportation	38110-01	Vanasse Hangen Brust
20	I	N	837	U. S. Department of Transportation	4300271603	NC State Ports Authority
20	I	N	1,060	U. S. Department of Transportation	ACRP A02-58/ SU	Natl Acad of Science
20	I	N	4,649	U. S. Department of Transportation	CKB1059A-2012-SVS-1	Louis Berger Group, Inc.
20	I	N	8,598	U. S. Department of Transportation	CKB1059B-2012-SVS-2	Louis Berger Group, Inc
20	I	N	17,311	U. S. Department of Transportation	DTNH22-10-D-001	Transanalytics
20	I	N	69,737	U. S. Department of Transportation	HR 09-50	Natl Acad. of Sci.
20	I	N	160,464	U. S. Department of Transportation	HR 09-54	Natl Acad. of Sci.
20	I	N	89,382	U. S. Department of Transportation	HR 25-36	Natl Acad of Science
20	I	N	50,022	U. S. Department of Transportation	HR 3-62	Natl Acad of Science
20	I	N	110	U. S. Department of Transportation	HR-17-48	Natl Acad of Science
20	I	N	42,341	U. S. Department of Transportation	HR09-54/163513-1005/SUB0000261	Natl Acad. of Sci.

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
20	I	N	143,784	U. S. Department of Transportation	HR1763 SUB00003	Natl Acad of Science
20	I	N	60,870	U. S. Department of Transportation	N/A	Dunlap Assoc
20	I	N	91,619	U. S. Department of Transportation	P010142080	SAIC
20	I	N	2,553	U. S. Department of Transportation	RF01354864	Ohio State Univ
20	I	N	27,380	U. S. Department of Transportation	S-001986-NCSU-00 14-00560	Applied Research Assoc.
20	I	N	104,728	U. S. Department of Transportation	SUB0000104/HR17	Natl Acad of Science
20	I	N	164,428	U. S. Department of Transportation	UF-EIES-1200008	Stride
20	I	N	16,823	U. S. Department of Transportation	UF-EIES-1200025-NCS / TO1	Univ of Florida
20	I	N	7,574	U. S. Department of Transportation	UF-EIES-1200025-NCS / TO9	Univ of Florida
20	I	N	41,431	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO#3	Univ of Florida
20	I	N	62,573	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO#5	Univ of Florida
20	I	N	6,265	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO#6	Univ of Florida
20	I	N	9,506	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO10	Univ of Florida
20	I	N	68,836	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO#2	Univ of Florida
20	I	N	16,006	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO#4	Univ of Florida
20	I	N	4,464	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO11	Univ of Florida
20	I	N	35,688	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO12	Univ of Florida
20	I	N	6,136	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO7	Univ of Florida
20.200	D	N	730,074	Highway Research and Development Program		
20.200	I	N	10,944	Highway Research and Development Program	437K135	Univ of Wisconsin
20.205	I	N	33,010	Highway Planning and Construction	11-026	Univ of New Hampshire
20.205	I	N	1,086	Highway Planning and Construction	476360 00002	Texas A&M Research Found.
20.239	D	N	44,025	Motor Carrier Research and Technology Programs		
20.313	D	N	174,011	Railroad Research and Development		
20.701	I	N	21	University Transportation Centers Program	246431A	Univ of Oregon
20.701	I	N	32,724	University Transportation Centers Program	5893-Z9600001	Univ of Maryland, College Park
20.701	I	N	50,748	University Transportation Centers Program	Z981001	Univ of Maryland
20.761	I	N	117,166	Biobased Transportation Research	8500014161	Univ of Tennessee
20.761	I	N	59,200	Biobased Transportation Research	8500022312	Univ of Tennessee
20.761	I	N	60,943	Biobased Transportation Research	8500022318	Univ of Tennessee
20.761	I	N	28,252	Biobased Transportation Research	8500022319	Univ of Tennessee
20.761	I	N	667	Biobased Transportation Research	S12260	Kansas State Univ
			<u>5,482,968</u>	Total — Research and Development — U. S. Department of Transportation		
U. S. Library of Congress						
42	I	N	138,987	Library of Congress	12-PO-680-00002	Smithsonian Institute
42	I	N	10,884	Library of Congress	N/A	Waynesburg Univ
42.002	I	N	19,475	Copyright Service	sub GA GA08C0016	Waynesburg College
			<u>169,346</u>	Total — Research and Development — U. S. Library of Congress		
National Aeronautics and Space Administration						
43	D	N	2,297,479	National Aeronautics and Space Administration		
43	I	N	37,049	National Aeronautics and Space Administration	1008-1	X-Wave Innovations, Inc.
43	I	N	4,015	National Aeronautics and Space Administration	1436032	Calif Inst Technolog
43	I	N	7,383	National Aeronautics and Space Administration	1436036	Calif Inst Technolog
43	I	N	4,246	National Aeronautics and Space Administration	1472126	Calif Inst Technolog
43	I	N	4,776	National Aeronautics and Space Administration	1472138	Calif Inst Technolog
43	I	N	100,608	National Aeronautics and Space Administration	2012-1749	Intelligent Fiber Optic System
43	I	N	5,405	National Aeronautics and Space Administration	3001477342	Univ of Michigan
43	I	N	14,037	National Aeronautics and Space Administration	99-01	Sys Mat'l Res Corp
43	I	N	3,078	National Aeronautics and Space Administration	HST-AR-12147.01	Space Telescope Sci

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
43	I	N	75,952	National Aeronautics and Space Administration	N/A	Ct Advance Scien Spa
43	I	N	310,033	National Aeronautics and Space Administration	NCAT-03-01	Virginia Polytechnic Inst
43	I	N	38,398	National Aeronautics and Space Administration	NCSU-03-01-2892-NC	Nat'l Inst. of Aerospace
43	I	N	149,828	National Aeronautics and Space Administration	NCSU-03-01-3771-009-NC154	Nat'l Inst. of Aerospace
43	I	N	40,567	National Aeronautics and Space Administration	NCSU-03-01-4740-017-NC	Nat'l Inst. of Aerospace
43	I	N	34,474	National Aeronautics and Space Administration	NCSU-03-01-4740-021-NC	Nat'l Inst. of Aerospace
43	I	N	31,742	National Aeronautics and Space Administration	NCSU-03-01-4770-001-NC	Nat'l Inst. of Aerospace
43	I	N	114,235	National Aeronautics and Space Administration	NCSU-0301-3771-010-NC	Nat'l Inst. of Aerospace
43	I	N	5,243	National Aeronautics and Space Administration	P.O. #FP11713	Univ of Alaska
43	I	N	51,170	National Aeronautics and Space Administration	PF03003	Nat'l Space Biom Rsc
43	I	N	46,588	National Aeronautics and Space Administration	SUB2012-113	Univ Ala-Huntsville
43	I	N	91,173	National Aeronautics and Space Administration	USM-GR04146-003	Univ of Southern Mississippi
43	I	N	33,603	National Aeronautics and Space Administration	X13-7097-NC	Nat'l Inst. of Aerospace
43.001	D	N	614,372	Science		
43.001	I	N	75,842	Science	13305	Univ of Massachusetts
43.001	I	N	4,012	Science	4973-UNCCH-NASA	Penn State Univ
43.001	I	N	722	Science	57314A P3391 78	San Diego St Univ Fdn
43.001	I	N	7,838	Science	G02-13066C	Smithsonian Astrophys Observ
43.001	I	N	95,633	Science	G03-14076A	Smithsonian Astrophys Observ
43.001	I	N	16,843	Science	GRT00021391	Ohio State Univ
43.001	I	N	55,268	Science	NCC9-58-593/PF02601	NSBRI
43.001	I	N	61,011	Science	RR100-633/4944176	Univ of Georgia
43.002	D	N	70,671	Aeronautics		
43.008	D	N	271,260	Education		
43.008	I	N	26,570	Education	4103-0583	Purdue Univ
43.009	D	N	195,174	Cross Agency Support		
			4,996,298	Total — Research and Development — National Aeronautics and Space Administration		

National Endowment for the Arts and Humanities

45	D	N	128,870	Federal Council on the Arts and the Humanities		
45.024	D	N	67,086	Promotion of the Arts-Grants to Organizations and Individuals		
45.024	I	N	13,019	Promotion of the Arts-Grants to Organizations and Individuals	202475	Arts Midwest
45.129	I	N	76,671	Promotion of the Humanities-Federal/State Partnership	2013-0775	Friedrich Schiller Univ
45.149	D	N	161,625	Promotion of the Humanities-Division of Preservation and Access		
45.161	D	N	145,775	Promotion of the Humanities-Research		
45.163	D	N	2,711	Promotion of the Humanities-Professional Development		
45.164	D	N	1,500	Promotion of the Humanities-Public Programs		
45.164	I	N	6,034	Promotion of the Humanities-Public Programs	MW-50007-12	American Bar Assoc
45.169	D	N	4,716	Promotion of the Humanities-Office of Digital Humanities		
45.301	D	N	3,369	Museums for America		
45.312	D	N	73,736	National Leadership Grants		
45.312	I	N	17,239	National Leadership Grants	00007896/200009	Univ Calif-Berkeley
45.313	D	N	587,489	Laura Bush 21st Century Librarian Program		
			1,289,840	Total — Research and Development — National Endowment for the Arts and Humanities		

National Science Foundation

47	D	N	936,906	National Science Foundation		
47	I	N	53	National Science Foundation	1003507	Tacoma Commu College
47	I	N	3,503	National Science Foundation	2013-1356	American Sociological Assoc

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Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
47	I	N	13,245	National Science Foundation	478455-19070	Virginia Polytechnic Inst
47	I	N	3,446	National Science Foundation	48709463	Univ Southern California
47	I	N	153,614	National Science Foundation	55800-8949	Cornell Univ
47	I	N	2,985	National Science Foundation	Cureee Subcontract #4	Curee
47	I	N	9,217	National Science Foundation	N/A	Natl Evolution Synth
47	I	N	27,517	National Science Foundation	NSF-SBIR/STTR	Thixomat Inc
47	I	N	152,513	National Science Foundation	PO#9500009445	Global Envir Network I
47.041	D	N	22,658,362	Engineering Grants		
47.041	I	N	39,843	Engineering Grants	1159-7558-206-2	Clemson Univ
47.041	I	N	4,456	Engineering Grants	2009-1212	Valencell Inc.
47.041	I	N	25,382	Engineering Grants	2012-1274	Physical Devices LLC
47.041	I	N	43,135	Engineering Grants	2012-2904	Advanced Hydrogen Technologies
47.041	I	N	3,032	Engineering Grants	2013-0749	Altaeros Engeries
47.041	I	N	67,499	Engineering Grants	2013-1433	Isthmus Biosciences, Inc.
47.041	I	N	48,867	Engineering Grants	2013-3031	Biomason, Inc.
47.041	I	N	25,457	Engineering Grants	33791	Univ of Delaware
47.041	I	N	5,201	Engineering Grants	554442 SAVELIEV, A.	Innovative Energy Solutions
47.041	I	N	45,656	Engineering Grants	A13-0112-S0001	Univ of Tennessee-Knoxville
47.041	I	N	184,964	Engineering Grants	EEC-0540834	Univ of Minnesota
47.041	I	N	149,272	Engineering Grants	N/A	Clave Biodesign
47.049	D	N	19,660,633	Mathematical and Physical Sciences		
47.049	I	N	12,350	Mathematical and Physical Sciences	08-SC-NSF-1026	Duke Univ
47.049	I	N	228,803	Mathematical and Physical Sciences	12-NSF-1027	Duke Univ
47.049	I	N	722,497	Mathematical and Physical Sciences	12-NSF-1029	Duke Univ
47.049	I	N	3,602	Mathematical and Physical Sciences	12-NSF-1093	Duke Univ
47.049	I	N	78,323	Mathematical and Physical Sciences	14-NSF-1022	Duke Univ
47.049	I	N	12,005	Mathematical and Physical Sciences	201556UNC	Univ of Notre Dame
47.049	I	N	46,573	Mathematical and Physical Sciences	61-2482NC	Michigan St Univ
47.049	I	N	210,861	Mathematical and Physical Sciences	744885	Univ of Washington-Seattle
47.049	I	N	151,927	Mathematical and Physical Sciences	744903	Univ of Washington
47.049	I	N	55,600	Mathematical and Physical Sciences	CPS0000200649	Univ of Minnesota
47.049	I	N	24,699	Mathematical and Physical Sciences	RC100639UNC	Michigan St Univ
47.049	I	N	56,255	Mathematical and Physical Sciences	UF-EIES-13090200-NCS	Univ of Florida
47.050	D	N	6,213,856	Geosciences		
47.050	I	N	-243	Geosciences	161533	Univ Southern California
47.050	I	N	36,427	Geosciences	37169010	Univ Southern California
47.050	I	N	58,832	Geosciences	420-41-01A	Iowa State Univ
47.050	I	N	91,800	Geosciences	45-25162	Columbia Univ
47.050	I	N	22,098	Geosciences	8 GG002806	Columbia Univ
47.050	I	N	39,373	Geosciences	A100983	Woods Hole Oceanographic Institution
47.050	I	N	33,132	Geosciences	G03587/2 GG0028	Columbia Univ
47.050	I	N	7,361	Geosciences	N/A	Opendap Open Source
47.050	I	N	23,791	Geosciences	Y82253	Univ Southern California
47.050	I	N	10,437	Geosciences	Y83238	Univ Southern California
47.070	D	N	8,443,506	Computer and Information Science and Engineering		
47.070	D	Y	58,125	ARRA - Computer and Information Science and Engineering		
47.070	I	N	62,517	Computer and Information Science and Engineering	00008062	Univ of Cal-Berkeley
47.070	I	N	643,109	Computer and Information Science and Engineering	1872/PO# 950001	Raytheon
47.070	I	N	42,398	Computer and Information Science and Engineering	1906/PO#9500012	Bbn Technologies
47.070	I	N	6,336	Computer and Information Science and Engineering	1939B/950001216	Raytheon
47.070	I	N	52,233	Computer and Information Science and Engineering	2013-01010-01	Univ of Ill Champaign

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
47.070	I	N	329	Computer and Information Science and Engineering	9500011110/ 188	Raytheon
47.070	I	N	97,644	Computer and Information Science and Engineering	9500012196	Global Envir Network I
47.070	I	N	89,931	Computer and Information Science and Engineering	PO#9500011110/1	Raytheon
47.074	D	N	13,095,410	Biological Sciences		
47.074	I	N	12,323	Biological Sciences	0038425(011514-1)	Univ of Pittsburgh
47.074	I	N	3,883	Biological Sciences	09-072	Univ of Alabama-Tusc
47.074	I	N	210,770	Biological Sciences	10-NSF-1060	Duke Univ
47.074	I	N	176,930	Biological Sciences	10-NSF-1061	Duke Univ
47.074	I	N	160,498	Biological Sciences	12-NSF-1081	Duke Univ
47.074	I	N	4,550	Biological Sciences	12-NSF-1082	Duke Univ
47.074	I	N	86,671	Biological Sciences	131817	Univ of Arizona
47.074	I	N	4,771	Biological Sciences	14-NSF-1070	Duke Univ
47.074	I	N	99,170	Biological Sciences	27169	Univ of Delaware
47.074	I	N	35,673	Biological Sciences	27184	Univ of Delaware
47.074	I	N	39,292	Biological Sciences	3161/200201411	Inst Ecosystem Studi
47.074	I	N	231,081	Biological Sciences	4101-25830 / 0822495-DBI	Purdue Univ
47.074	I	N	31	Biological Sciences	478778-19467	Virginia Polytechnic Inst
47.074	I	N	479,961	Biological Sciences	61-2075NC	Michigan State Univ
47.074	I	N	110,599	Biological Sciences	61406-9504	Cornell Univ
47.074	I	N	176,840	Biological Sciences	67183-10114	Cornell Univ
47.074	I	N	26,719	Biological Sciences	717511-712683	Virginia Institute of Marine Science
47.074	I	N	49,046	Biological Sciences	C14D11779(D01845)	Yale Univ
47.074	I	N	15,500	Biological Sciences	EF-0905606	Duke Univ
47.074	I	N	49,467	Biological Sciences	GA11020-142300	Univ of Virginia
47.074	I	N	47,241	Biological Sciences	RR272-210/46896	Univ of Georgia
47.074	I	N	5,612	Biological Sciences	RR272-210/4895116	Univ of Georgia
47.074	I	N	27,925	Biological Sciences	SA0000295	San Diego St Univ
47.074	I	N	100,931	Biological Sciences	UTA10-000936	Univ of Texas
47.074	I	N	832	Biological Sciences	Y483309	Univ of Arizona
47.074	I	N	1,537	Biological Sciences	Y502720	Univ of Arizona
47.075	D	N	1,982,132	Social, Behavioral, and Economic Sciences		
47.075	I	N	49,611	Social, Behavioral, and Economic Sciences	10321092-SUB	Univ of California
47.075	I	N	15,899	Social, Behavioral, and Economic Sciences	11-51	SUNY-Research Foundation
47.075	I	N	3,428	Social, Behavioral, and Economic Sciences	4532-NCATSU-NSF-5327	Pennsylvania State Univ
47.075	I	N	18,471	Social, Behavioral, and Economic Sciences	DG13-53	Assoc. For Inst. Research
47.076	D	N	12,362,196	Education and Human Resources		
47.076	I	N	15,728	Education and Human Resources	00006843	Univ of Cal-Berkeley
47.076	I	N	15,754	Education and Human Resources	10055601	Utah State Univ
47.076	I	N	778	Education and Human Resources	4101-39134	Purdue Univ
47.076	I	N	898	Education and Human Resources	4554-UNCW-NSF-4670	Pennsylvania State Univ
47.076	I	N	72,458	Education and Human Resources	4691-UNCCH-NSF-	Penn State Univ
47.076	I	N	305,312	Education and Human Resources	478639-19071	Virginia Polytechnic Inst
47.076	I	N	10,187	Education and Human Resources	BECK/525618	Villanova Univ
47.076	I	N	112,553	Education and Human Resources	DUE-1125331	Carleton College
47.076	I	N	2,828	Education and Human Resources	DUE0525433	Univ of New Hampshire
47.076	I	N	19,124	Education and Human Resources	PRIME: DUE-1022844	Carleton College
47.076	I	N	21,249	Education and Human Resources	SA540-1022-7993	Illinois Inst. of Technology
47.078	D	N	437,159	Polar Programs		
47.078	I	N	389,811	Polar Programs	ANT-0424589	Univ of Kansas
47.078	I	N	52,728	Polar Programs	FP32463	Univ of Alaska-Fairbanks
47.079	D	N	190,004	Office of International and Integrative Activities		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
47.079	I	N	19,768	Office of International and Integrative Activities	3000835643	Univ of Michigan
47.080	D	N	3,989,174	Office of Cyberinfrastructure		
47.080	I	N	30,235	Office of Cyberinfrastructure	063024-871T	Univ of New Mexico
47.080	I	N	10,994	Office of Cyberinfrastructure	10778	Univ of Arizona
47.080	I	N	-6,746	Office of Cyberinfrastructure	180K121	Univ Wisconsin
47.081	D	N	5,432	Office of Experimental Program to Stimulate Competitive Research		
47.081	D	Y	167,659	ARRA - Office of Experimental Program to Stimulate Competitive Research		
47.082	D	N	208,797	Trans-NSF Recovery Act Reasearch Support		
47.082	D	Y	1,245,692	ARRA - Trans-NSF Recovery Act Reasearch Support		
47.082	I	Y	17,473	ARRA - Trans-NSF Recovery Act Reasearch Support	3048106073-10-3	Univ of Kentucky
47.082	I	Y	-2,552	ARRA - Trans-NSF Recovery Act Reasearch Support	60443	Louisiana State Univ
47.082	I	Y	11,395	ARRA - Trans-NSF Recovery Act Reasearch Support	DEB-0842364	Univ of Oklahoma
47.082	I	Y	4	ARRA - Trans-NSF Recovery Act Reasearch Support	PO#9500010119	Global Envir Network I
47.082	I	Y	7,027	ARRA - Trans-NSF Recovery Act Reasearch Support	RES504243	Case Western Reserve
			<u>98,937,168</u>	Total — Research and Development — National Science Foundation		

U. S. Department of Veterans Affairs

64	D	N	203,914	U. S. Department of Veterans Affairs		
			<u>203,914</u>	Total — Research and Development — U. S. Department of Veterans Affairs		

U. S. Environmental Protection Agency

66	D	N	3,221,288	U. S. Environmental Protection Agency		
66	I	N	29,897	U. S. Environmental Protection Agency	2013.006.01	Mid-Atlantic Reg Air
66	I	N	328,697	U. S. Environmental Protection Agency	4902-RFA10-1/11	Health Effects Inst
66	I	N	106,329	U. S. Environmental Protection Agency	4930-RFA11-2/13	Health Effects Inst
66	I	N	825	U. S. Environmental Protection Agency	EP-C-13-039	ABT Assoc Inc
66	I	N	35,232	U. S. Environmental Protection Agency	N/A	Health Effects Inst
66	I	N	-17,304	U. S. Environmental Protection Agency	PO#200706639	Mactec Federal Prog
66	I	N	875	U. S. Environmental Protection Agency	PO4-NAR403-UNC	Ec/R Inc
66.001	D	N	2,056,117	Air Pollution Control Program Support		
66.034	D	N	1,376	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		
66.202	I	N	111	Congressionally Mandated Projects	1547014 (PO# 0000075043)	Univ of Colorado-Boulder
66.202	I	N	48,864	Congressionally Mandated Projects	4366	Water Research Fdn
66.202	I	N	-9	Congressionally Mandated Projects	EPA83438801	Consortium For Plant Biotechnology Research, Inc
66.203	D	N	224,076	Environmental Finance Center Grants		
66.419	D	N	7,274,817	Water Pollution Control State, Interstate, and Tribal Program Support		
66.424	I	N	214,253	Surveys, Studies, Investigations, Demonstrations, and Training Grants-Section 1442 of the Safe Drinking Water Act	N/A	New Mexico Mining Tec
66.461	D	N	700,209	Regional Wetland Program Development Grants		
66.469	I	N	15,774	Great Lakes Program	2012-06075-05 / A0131	Univ of Illinois
66.509	D	N	1,577,383	Science To Achieve Results (STAR) Research Program		
66.509	I	N	38,795	Science To Achieve Results (STAR) Research Program	5710003200	Mass. Inst. of Tech.
66.509	I	N	20,104	Science To Achieve Results (STAR) Research Program	C14P11828(P00361)	Yale Univ
66.509	I	N	11,500	Science To Achieve Results (STAR) Research Program	G-58003-1	Colorado State Univ
66.509	I	N	94	Science To Achieve Results (STAR) Research Program	G-58004-1	Colorado State Univ
66.511	D	N	1,516,677	Office of Research and Development Consolidated Research/Training/Fellowship:		
66.514	D	N	56,730	Science To Achieve Results (STAR) Fellowship Program		
66.516	D	N	3,230	P3 Award: National Student Design Competition for Sustainabil:		
66.611	D	N	27,203	Environmental Policy and Innovation Grants:		
66.708	D	N	77,854	Pollution Prevention Grants Program		

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Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
66.714	D	N	19,569	Regional Agricultural IPM Grants		
66.809	D	N	215,972	Superfund State and Indian Tribe Core Program Cooperative Agreements		
			<u>17,806,538</u>	Total — Research and Development — U. S. Environmental Protection Agency		
U. S. Nuclear Regulatory Commission						
77	D	N	197,543	Nuclear Regulatory Commission		
77	I	N	51,845	Nuclear Regulatory Commission	342-0059	Duke Univ
77.007	D	N	37,927	U. S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)		
77.008	D	N	92,535	U. S. Nuclear Regulatory Commission Scholarship and Fellowship Program		
			<u>379,850</u>	Total — Research and Development — U.S. Nuclear Regulatory Commission		
U. S. Department of Energy						
81	D	N	360,035	U. S. Department of Energy		
81	I	N	105,181	U. S. Department of Energy	00042959 #00001	Battelle Energy Alliance, LLC
81	I	N	58,354	U. S. Department of Energy	00042959 #00001 ACE	Battelle Energy Alliance, LLC
81	I	N	24,311	U. S. Department of Energy	00042959 #00001 INEST	Battelle Energy Alliance, LLC
81	I	N	172,564	U. S. Department of Energy	00042959 #21	Battelle Energy Alliance, LLC
81	I	N	10,124	U. S. Department of Energy	00042959 #23	Battelle Energy Alliance, LLC
81	I	N	25,589	U. S. Department of Energy	00042959 #26	Battelle Energy Alliance, LLC
81	I	N	116,880	U. S. Department of Energy	00042959 #27	Battelle Energy Alliance, LLC
81	I	N	225,323	U. S. Department of Energy	00042959 #29	Battelle Energy Alliance, LLC
81	I	N	81,832	U. S. Department of Energy	00042959 #30	Battelle Energy Alliance, LLC
81	I	N	23,837	U. S. Department of Energy	00042959 #31	Battelle Energy Alliance, LLC
81	I	N	106,748	U. S. Department of Energy	00042959 #35	Battelle Energy Alliance, LLC
81	I	N	148,484	U. S. Department of Energy	00042959 #45	Battelle Energy Alliance, LLC
81	I	N	285,854	U. S. Department of Energy	00042959 40	Battelle Energy Alliance, LLC
81	I	N	194,970	U. S. Department of Energy	00042959 42	Battelle Energy Alliance, LLC
81	I	N	1,625	U. S. Department of Energy	00042959-00032	Idaho National Laboratory
81	I	N	103,715	U. S. Department of Energy	00042959-00048	Battelle Energy Alliance, LLC
81	I	N	2,573	U. S. Department of Energy	00042959-00050	Battelle Energy Alliance, LLC
81	I	N	21,625	U. S. Department of Energy	00042959-00052	Battelle Energy Alliance, LLC
81	I	N	6,522	U. S. Department of Energy	00042959-00053	Battelle Energy Alliance, LLC
81	I	N	12,587	U. S. Department of Energy	00042959-00055	Battelle Energy Alliance, LLC
81	I	N	80,565	U. S. Department of Energy	00042959-47	Battelle Energy Alliance, LLC
81	I	N	112,978	U. S. Department of Energy	00054/00042959	Idaho National Laboratory
81	I	N	233,507	U. S. Department of Energy	00127981	Battelle Energy Alliance, LLC
81	I	N	21,771	U. S. Department of Energy	1-340-0214113-51755L	RTI International
81	I	N	-4,272	U. S. Department of Energy	119867	Battelle
81	I	N	43,505	U. S. Department of Energy	1213550	Sandia National Lab
81	I	N	90,078	U. S. Department of Energy	126482	Battelle Energy Alli
81	I	N	4,167	U. S. Department of Energy	172092-1	Los Alamos Nat'l Lab
81	I	N	22,321	U. S. Department of Energy	2014-0210	Babcock & Wilcox Mpower, Inc.
81	I	N	29,436	U. S. Department of Energy	242478-1	Los Alamos Nat'l Lab
81	I	N	15,839	U. S. Department of Energy	256K222	Univ of Wisconsin
81	I	N	91,619	U. S. Department of Energy	3F-30721	Argonne Nat'l Labs
81	I	N	12,177	U. S. Department of Energy	4000028105	UT Battelle, LLC
81	I	N	79,098	U. S. Department of Energy	4000040729	UT Battelle, LLC
81	I	N	48,784	U. S. Department of Energy	4000056870	UT Battelle, LLC
81	I	N	64,676	U. S. Department of Energy	4000058620	UT Battelle, LLC
81	I	N	58,767	U. S. Department of Energy	4000061675	UT Battelle, LLC
81	I	N	20,400	U. S. Department of Energy	4000086391	UT Battelle, LLC

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81	I	N	24,880	U. S. Department of Energy	4000089282	UT Battelle, LLC
81	I	N	-2,103	U. S. Department of Energy	4000096612	Ut-Battelle/ORNL
81	I	N	54,690	U. S. Department of Energy	4000097399	Ut-Battelle/ORNL
81	I	N	72,405	U. S. Department of Energy	4000099327	UT Battelle, LLC
81	I	N	51,664	U. S. Department of Energy	4000109736	Oak Ridge National Lab
81	I	N	11,533	U. S. Department of Energy	4000110308	UT Battelle, LLC
81	I	N	184,117	U. S. Department of Energy	4000114671	Oak Ridge National Lab
81	I	N	230,626	U. S. Department of Energy	4000114809	UT Battelle, LLC
81	I	N	8,946	U. S. Department of Energy	4000119694	UT Battelle, LLC
81	I	N	25,116	U. S. Department of Energy	4000120069	UT Battelle, LLC
81	I	N	516,180	U. S. Department of Energy	4000120148	Ut-Battelle/ORNL
81	I	N	11,845	U. S. Department of Energy	4000121049	UT Battelle, LLC
81	I	N	10,028	U. S. Department of Energy	4000121986	Oak Ridge National Lab
81	I	N	67,279	U. S. Department of Energy	400119532	GE Global Research
81	I	N	101,314	U. S. Department of Energy	4200000036-4000120386	UT Battelle, LLC
81	I	N	13,711	U. S. Department of Energy	4200000036-4000124994	UT Battelle, LLC
81	I	N	45,408	U. S. Department of Energy	4200000036-4000126315	UT Battelle, LLC
81	I	N	10,736	U. S. Department of Energy	456470	Duke Energy
81	I	N	26,615	U. S. Department of Energy	68393-02	Battelle Energy Alliance, LLC
81	I	N	42,975	U. S. Department of Energy	7078212	L. Berkeley Nat'l Lab
81	I	N	21,465	U. S. Department of Energy	7090112	L. Berkeley Nat'l Lab
81	I	N	875	U. S. Department of Energy	94000	Savanah River Nuclea
81	I	N	5,153	U. S. Department of Energy	B598487	U Cal Lawrence Liver
81	I	N	39,338	U. S. Department of Energy	B606928	Lawrence Livermore Natl. Secu.
81	I	N	5,128	U. S. Department of Energy	Check #019333 Dated 3-10-14	Voorhees College
81	I	N	3,190	U. S. Department of Energy	N/A	Krell Institute
81	I	N	22,738	U. S. Department of Energy	PO 614877	Fermilab
81	I	N	4,674	U. S. Department of Energy	PO NO. EP47048	Honeywell International Inc
81	I	N	31,601	U. S. Department of Energy	PO4500305158 BRIAN HIXSON	First Energy Corp (Allegheny)
81	I	N	32,874	U. S. Department of Energy	ShannonHPC	Oak Ridge Assoc. Univ
81	I	N	5,960	U. S. Department of Energy	SiSoCMembership	National Renewable Energy Lat
81	I	N	90,000	U. S. Department of Energy	XFA-4-23065-01	Alliance For Sustainable Energ
81	I	Y	39,866	ARRA - U. S. Department of Energy	1-340-0212662	RTI International
81	I	Y	4,564	ARRA - U. S. Department of Energy	2010MCA-0410-08	Ctr Climate Strategi
81	I	Y	1,497	ARRA - U. S. Department of Energy	2012-0511	Grid Logic, Inc.
81	I	Y	90,641	ARRA - U. S. Department of Energy	DE-EE-0002628	Progress Energy Carolinas
81.049	D	N	7,634,973	Office of Science Financial Assistance Program		
81.049	D	Y	4,382,855	ARRA - Office of Science Financial Assistance Program		
81.049	I	N	40,739	Office of Science Financial Assistance Program	#4030 P.O. NO: 104242	Supercon Inc.
81.049	I	N	63,114	Office of Science Financial Assistance Program	12-DOE-1077	Duke Univ
81.049	I	N	27,577	Office of Science Financial Assistance Program	1550787/PO#1000273317	Univ of Colorado-Boulder
81.049	I	N	15,306	Office of Science Financial Assistance Program	2010-1026	Calabazas Creek Research, Inc.
81.049	I	N	1,932	Office of Science Financial Assistance Program	2012-0171	Ngimat Co.
81.049	I	N	237,087	Office of Science Financial Assistance Program	2013-0134	Muons, Incorporated
81.049	I	N	142,325	Office of Science Financial Assistance Program	2013-1608	Ngimat Co.
81.049	I	N	2,104	Office of Science Financial Assistance Program	2014-1785	Washington Univ-St Louis
81.049	I	N	504,816	Office of Science Financial Assistance Program	21017-NC	D.Danforth Plant Sci
81.049	I	N	244,893	Office of Science Financial Assistance Program	B6681	Texas A&M Univ
81.049	I	N	224,501	Office of Science Financial Assistance Program	GQ10044-133949	Univ of Virginia
81.049	I	N	270,891	Office of Science Financial Assistance Program	WU-HT-10-09 PO: 2911086A	Washington Univ-St Louis
81.049	I	Y	959,899	ARRA - Office of Science Financial Assistance Program	4005-NCSU-DOE-1090	Pennsylvania State Univ

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
81.057	D	N	46,289	University Coal Research		
81.086	D	N	170,904	Conservation Research and Development		
81.086	I	N	280,114	Conservation Research and Development	400119429	GE Global Research
81.087	D	N	3,347,841	Renewable Energy Research and Development		
81.087	I	N	81,766	Renewable Energy Research and Development	DOE-SPEC-FE11-012	Biodiversity Research Inst.
81.087	I	N	37,881	Renewable Energy Research and Development	F-2013-31	Univ of Toledo Toled
81.089	D	N	-1,642	Fossil Energy Research and Development		
81.089	I	N	53,671	Fossil Energy Research and Development	S388	Gas Technology Institute
81.112	D	N	221,990	Stewardship Science Grant Program		
81.113	D	N	509,832	Defense Nuclear Nonproliferation Research		
81.117	D	N	13,168	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		
81.121	D	N	652,584	Nuclear Energy Research, Development and Demonstrator		
81.121	I	N	57,586	Nuclear Energy Research, Development and Demonstrator	00042959 #24	Battelle Energy Alliance, LLC
81.121	I	N	17,330	Nuclear Energy Research, Development and Demonstrator	429329-19071	Virginia Polytechnic Inst
81.122	D	N	88,776	Electricity Delivery and Energy Reliability, Research, Development and Analysis		
81.123	D	N	392,694	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program		
81.123	I	N	50,704	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	F1040051	Norfolk State Univ
81.123	I	N	24,003	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	HU-130002	Hampton Univ
81.135	D	N	2,468,366	Advanced Research Projects Agency - Energy		
81.135	D	Y	449,627	ARRA - Advanced Research Projects Agency - Energy		
81.135	I	N	146,393	Advanced Research Projects Agency - Energy	2013-0069	Grid Logic, Inc.
81.135	I	N	170,942	Advanced Research Projects Agency - Energy	2013-0070	Tai-Yang Research Co.
81.135	I	N	114,724	Advanced Research Projects Agency - Energy	DE-AR0000327	Bio2electric, LLC
81.135	I	N	645,898	Advanced Research Projects Agency - Energy	PO 1306-0100	Hexa Tech, Inc
81.135	I	Y	86,598	ARRA - Advanced Research Projects Agency - Energy	0130 G QA717	Univ Cal Los Angeles
81.135	I	Y	129,622	ARRA - Advanced Research Projects Agency - Energy	11-001 / DE-FOA-0000288	Cree, Inc.
			<u>30,032,351</u>	Total — Research and Development — U. S. Department of Energy		
<u>U. S. Department of Education</u>						
84	I	N	280,563	U. S. Department of Education	12/13-006	NC Partnership Child
84	I	N	22,114	U. S. Department of Education	40346S03620	Mathematica Pol Res
84	I	N	10,726	U. S. Department of Education	LPO-02013 L6043 Task 1	American Inst. For Research
84	I	N	6,153	U. S. Department of Education	LPO-02013 L6043 Task 2	American Inst. For Research
84	I	N	59,226	U. S. Department of Education	LPO-02013 L6043 Task 3	American Inst. For Research
84	I	N	-1,520	U. S. Department of Education	N/A	Richmond Co School
84	I	N	211,187	U. S. Department of Education	R01615	Florida Sta
84	I	N	16,266	U. S. Department of Education	R01723	Florida State Univ
84.007	D	N	613,199	Federal Supplemental Educational Opportunity Grant		
84.015	D	N	1,977,625	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program		
84.015	I	N	59,876	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	11-DED-1019	Duke Univ
84.015	I	N	61,206	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	12-FLAS-1103	Duke Univ Med Ctr

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
84.015	I	N	350,425	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	13-FLAS-1105	Duke Univ
84.022	D	N	64,192	Overseas Programs-Doctoral Dissertation Research Abroad		
84.047	D	N	326,151	TRIO-Upward Bound		
84.116	D	N	63,869	Fund for the Improvement of Postsecondary Education		
84.129	D	N	91,689	Rehabilitation Long-Term Training		
84.133	D	N	165,228	National Institute on Disability and Rehabilitation Research		
84.133	I	N	8,952	National Institute on Disability and Rehabilitation Research	000500057-003	Univ of Alabama-Birm
84.153	D	N	12,283	Business and International Education Projects		
84.170	D	N	166,900	Javits Fellowships		
84.200	D	N	191,143	Graduate Assistance in Areas of National Need		
84.220	D	N	264,982	Centers for International Business Education		
84.234	I	N	37,456	Projects with Industry	RR242-421/4785206	Univ of Georgia
84.283	I	N	41,144	Comprehensive Centers	N/A	Education Northwest
84.305	D	N	1,958,364	Education Research, Development and Dissemination		
84.305	I	N	13,055	Education Research, Development and Dissemination	12-ED-1094	Duke Univ
84.305	I	N	49,433	Education Research, Development and Dissemination	12-ED-1095	Duke Univ
84.305	I	N	21,839	Education Research, Development and Dissemination	14-ED-1108	Duke Univ
84.305	I	N	327,873	Education Research, Development and Dissemination	21372-S4	Vanderbilt Univ Med C
84.305	I	N	74,047	Education Research, Development and Dissemination	22616-S2	Vanderbilt Univ
84.305	I	N	-7	Education Research, Development and Dissemination	4475-UNC-USDE-0	Penn State Univ
84.305	I	N	96,970	Education Research, Development and Dissemination	4876-UNCCH-USDE	Penn State Univ
84.305	I	N	16,975	Education Research, Development and Dissemination	511135	Columbia Teacher Col
84.305	I	N	22,368	Education Research, Development and Dissemination	GM10087-126361	Univ of Virginia
84.305	I	N	499,882	Education Research, Development and Dissemination	PT108483-SC1045	VA Commonwealth Univ
84.324	D	N	4,215,216	Research in Special Education		
84.324	I	N	2,438	Research in Special Education	224061B	Univ Of Oregon
84.324	I	N	275,053	Research in Special Education	BL-4240321-UNC	Indiana Univ
84.325	D	N	1,424,190	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.325	I	N	14,949	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	F-2012-115	Univ of Toledo Toled
84.325	I	N	21,254	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	N/A	North Hampt Comm Coll
84.326	D	N	4,411,326	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		
84.326	I	N	48,664	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	223791B	Univ of Oregon
84.326	I	N	133,097	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	51-001050	SRI International
84.326	I	N	58,605	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	AUM-SA-001-2011	Auburn Univ
84.326	I	N	202,905	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	UKRF 3048106788	Univ of Kentucky
84.327	D	N	391,675	Special Education-Technology and Media Services for Individuals with Disabilities		
84.365	D	N	339,668	English Language Acquisition State Grants		
84.366	I	N	26,629	Mathematics and Science Partnerships	MSP FY14-15 (PBM)	Onslow County Schools
84.366	I	N	14,879	Mathematics and Science Partnerships	Partner IHE MSP (CE-STEM)	Onslow County Schools
84.373	I	N	1,219,051	Special Education-Technical Assistance on State Data Collection	51-001279	SRI International
84.373	I	N	95,017	Special Education-Technical Assistance on State Data Collection	6189-S-006	Westat
84.373	I	N	489,378	Special Education-Technical Assistance on State Data Collection	FY2011-094	Univ of Kansas

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
84.381	D	N	19,100	Baccalaureate Degrees in Science, Technology, Engineering, Mathematics, and Critical Foreign Languages and Master's Degrees in Science, Technology, Engineering, Mathematics, and Critical Foreign Languages		
84.382	D	N	504,601	Strengthening Minority-Serving Institutions:		
84.396	I	Y	218,252	ARRA - State Fiscal Stabilization Fund (SFSF) - Investing in Innovation (i3) Fund, Recovery Act	60033310	Ohio State Univ
84.412	I	N	35,336	Race to the Top-Early Learning Challenge	C13-215/0000183	Delaware Early Learn
84.412	I	N	20,825	Race to the Top-Early Learning Challenge	C14-236	Delaware Early Learn
			<u>22,363,942</u>	Total — Research and Development — U. S. Department of Education		

U. S. Department of Health and Human Services

93	D	N	18,508,450	U. S. Department of Health and Human Services		
93	D	Y	58,881	ARRA - U. S. Department of Health and Human Services		
93	I	N	77,597	U. S. Department of Health and Human Services	#547662 DR APPERSON	Tulane Univ
93	I	N	9,997	U. S. Department of Health and Human Services	#547663 DR SCHAL	Tulane Univ
93	I	N	10,555	U. S. Department of Health and Human Services	000500918-005	Univ of Alabama-Birm
93	I	N	-15,373	U. S. Department of Health and Human Services	00663-2935.001	Amer Inst For Rsch
93	I	N	-16	U. S. Department of Health and Human Services	0080.0059/814	Family Health Intn
93	I	N	12,553	U. S. Department of Health and Human Services	0080.0144/955	Family Health Intn
93	I	N	16,388	U. S. Department of Health and Human Services	0080.0145/956	Family Health Intn
93	I	N	12,145	U. S. Department of Health and Human Services	0080.0168/966	Family Health Intn
93	I	N	52,408	U. S. Department of Health and Human Services	0080.0185/983	Family Health Intn
93	I	N	39,184	U. S. Department of Health and Human Services	0080.0207/705	Family Health Intn
93	I	N	-2,073	U. S. Department of Health and Human Services	01025813/5P01HL	Beth Israel Deacon M
93	I	N	136,168	U. S. Department of Health and Human Services	0258-3962	Mt Sinai Sch of Med
93	I	N	260,861	U. S. Department of Health and Human Services	06150-PSC-PII-T	JBS International
93	I	N	24,821	U. S. Department of Health and Human Services	06861S01686	Mathematica Pol Res
93	I	N	4,466	U. S. Department of Health and Human Services	08201.100.001	JBS International
93	I	N	967,118	U. S. Department of Health and Human Services	08800-036-00-FP	Urban Institute
93	I	N	257,290	U. S. Department of Health and Human Services	1-312-0213462	RTI Rsch Triangle In
93	I	N	34,729	U. S. Department of Health and Human Services	1-312-0213517	RTI International
93	I	N	190	U. S. Department of Health and Human Services	1-N01-CN43302-WA-21	Cornell Univ
93	I	N	141,013	U. S. Department of Health and Human Services	10-16385-99-01-	H Lee Moffitt Cancer
93	I	N	77,633	U. S. Department of Health and Human Services	10.10.90038	Hebrew Rehab Ctr
93	I	N	50,056	U. S. Department of Health and Human Services	107741	Univ Calif-San Franc
93	I	N	25,274	U. S. Department of Health and Human Services	108311	Univ Calif-San Franc
93	I	N	237,500	U. S. Department of Health and Human Services	108861	Univ Calif-San Franc
93	I	N	211,577	U. S. Department of Health and Human Services	12XS457	Leidos Biomedical
93	I	N	4,001	U. S. Department of Health and Human Services	13-3946	Xinray Systems
93	I	N	7,016	U. S. Department of Health and Human Services	13XS093	Saic-Frederick Inc
93	I	N	14,760	U. S. Department of Health and Human Services	17654	Natl Childhd Cncr Fdn
93	I	N	-5,403	U. S. Department of Health and Human Services	178859	Duke Clinical Rsch
93	I	N	6,635	U. S. Department of Health and Human Services	179452	Duke Univ
93	I	N	31,526	U. S. Department of Health and Human Services	19836-S1	Vanderbilt Univ Med C
93	I	N	45,951	U. S. Department of Health and Human Services	1U01GH000486-SA	Infect Diseas Zambia
93	I	N	295,053	U. S. Department of Health and Human Services	2-312-0213462	RTI Rsch Triangle In
93	I	N	8,779	U. S. Department of Health and Human Services	2011120781	Group Hlth Rsc Inst
93	I	N	24,370	U. S. Department of Health and Human Services	2012-0518	Nanovector, Inc.
93	I	N	-437	U. S. Department of Health and Human Services	2012023582/HHSN	Wake Forest Univ
93	I	N	4,000	U. S. Department of Health and Human Services	2013-04-0425-04	Asso Matern Child Hlt
93	I	N	3,220	U. S. Department of Health and Human Services	2013028376	Wake Forest Univ

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93	I	N	56,507	U. S. Department of Health and Human Services	2013156199/HHSN	Group Hlth Rsc Inst
93	I	N	38,786	U. S. Department of Health and Human Services	2032613	Duke Univ
93	I	N	52,085	U. S. Department of Health and Human Services	2032614	Duke Univ
93	I	N	10,385	U. S. Department of Health and Human Services	2033566/HHSN268	Duke Univ
93	I	N	6,723	U. S. Department of Health and Human Services	2033764	Duke Univ Med Ctr
93	I	N	-10	U. S. Department of Health and Human Services	220187	Mass Gen Hosp
93	I	N	-99	U. S. Department of Health and Human Services	24982	ABT Assoc Inc
93	I	N	27,247	U. S. Department of Health and Human Services	25051-08-381	La Jolla Ins Allergy
93	I	N	47,233	U. S. Department of Health and Human Services	28	Natl Enviro Hlt Asso
93	I	N	308,614	U. S. Department of Health and Human Services	29XS126/A59101	Leidos Biomedical
93	I	N	-6,200	U. S. Department of Health and Human Services	29XS126/A62138	Saic-Frederick Inc
93	I	N	10,089	U. S. Department of Health and Human Services	3-312-0213462/8	RTI Rsch Triangle In
93	I	N	3,630	U. S. Department of Health and Human Services	3-N01-HC-95170	Jackson State Univ
93	I	N	62,821	U. S. Department of Health and Human Services	3001141253	Univ of Michigan
93	I	N	84,186	U. S. Department of Health and Human Services	3002-082	Carter Consulting
93	I	N	83,973	U. S. Department of Health and Human Services	30305	Wake Forest Univ
93	I	N	623	U. S. Department of Health and Human Services	3036656/131860	Duke Univ Med Ctr
93	I	N	11,133	U. S. Department of Health and Human Services	3071-CDC-1S/NC State	Luna Innovations, Inc.
93	I	N	17,146	U. S. Department of Health and Human Services	310288	Albert Einstein Coll
93	I	N	45,686	U. S. Department of Health and Human Services	3210515144	Hospital Sick Childr
93	I	N	5,999	U. S. Department of Health and Human Services	328	Univ MD-Baltimore
93	I	N	54,248	U. S. Department of Health and Human Services	33	Natl Enviro Hlt Asso
93	I	N	9,363	U. S. Department of Health and Human Services	33001	Wake Forest Univ
93	I	N	-1,448	U. S. Department of Health and Human Services	383-4542	Duke Univ
93	I	N	2,464	U. S. Department of Health and Human Services	40-4113/UNC-3	Nat Bureau Econ Res
93	I	N	16,689	U. S. Department of Health and Human Services	40142S03133	Mathematica Pol Res
93	I	N	3,688	U. S. Department of Health and Human Services	40283S03546	Mathematica Pol Res
93	I	N	-3,215	U. S. Department of Health and Human Services	431630-19467	Virginia Polytechnic Inst
93	I	N	13,530	U. S. Department of Health and Human Services	451	Assc Univ Ctr Disab
93	I	N	420	U. S. Department of Health and Human Services	4549	Mcking Consult Corp
93	I	N	6,846	U. S. Department of Health and Human Services	5-20560	Scripps Resch Inst
93	I	N	48,298	U. S. Department of Health and Human Services	5-312-0213462-5	RTI Rsch Triangle In
93	I	N	14,011	U. S. Department of Health and Human Services	5-50682	Scripps Rsch Institu
93	I	N	-1,424	U. S. Department of Health and Human Services	5-P01-HL087203-	Beth Israel Deacon M
93	I	N	128,653	U. S. Department of Health and Human Services	5006842 SERV	Tufts Univ
93	I	N	47,541	U. S. Department of Health and Human Services	576652	Univ of Wash-Seattle
93	I	N	7,622	U. S. Department of Health and Human Services	5U10 HD040492	Duke Univ
93	I	N	45,888	U. S. Department of Health and Human Services	6-312-0213462-5	RTI Rsch Triangle In
93	I	N	27,933	U. S. Department of Health and Human Services	60032976-UMN	Northwestern U Traf
93	I	N	5,000	U. S. Department of Health and Human Services	63111	RTI Rsch Triangle In
93	I	N	37,911	U. S. Department of Health and Human Services	632369	Jackson State Univ
93	I	N	133,038	U. S. Department of Health and Human Services	66102700414-04U	Univ Miss Med Ctr
93	I	N	43,257	U. S. Department of Health and Human Services	6671S00150	Mathematica Pol Res
93	I	N	31,045	U. S. Department of Health and Human Services	7-312-0213462-5	RTI Rsch Triangle In
93	I	N	267,718	U. S. Department of Health and Human Services	724840	Fred Hutchinsn Can
93	I	N	7,636	U. S. Department of Health and Human Services	758997	Univ of Wash-Seattle
93	I	N	105,126	U. S. Department of Health and Human Services	8-49462	Mcmaster Univ
93	I	N	-5,934	U. S. Department of Health and Human Services	8502-90010-6	Johns Hopkins Univ
93	I	N	168,441	U. S. Department of Health and Human Services	861/0080.0016	Family Health Intn
93	I	N	656	U. S. Department of Health and Human Services	888-11-16-04	RTI Rsch Triangle In
93	I	N	479,332	U. S. Department of Health and Human Services	888-11-16-04 1-	RTI Rsch Triangle In

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93	I	N	218	U. S. Department of Health and Human Services	888-11-16-04/2-	RTI Rsch Triangle In
93	I	N	48,749	U. S. Department of Health and Human Services	89369 / HHSN275200900019C	Res. Fdn. For Mental Hygiene
93	I	N	175,517	U. S. Department of Health and Human Services	8977-S-003	Westat
93	I	N	61,905	U. S. Department of Health and Human Services	9-312-0212791-5	RTI Rsch Triangle In
93	I	N	39,466	U. S. Department of Health and Human Services	9-312-0212791/8	RTI Rsch Triangle In
93	I	N	5,167	U. S. Department of Health and Human Services	9-526-1660	Albert Einstein Coll
93	I	N	41,829	U. S. Department of Health and Human Services	951193RSUB	Children's Hosp Phi
93	I	N	8,850	U. S. Department of Health and Human Services	960475RSUB	Children's Hosp Phi
93	I	N	-1,416	U. S. Department of Health and Human Services	972	Family Health Intrn
93	I	N	26,725	U. S. Department of Health and Human Services	972/0080.0174	Family Health Intrn
93	I	N	38,963	U. S. Department of Health and Human Services	987.02935.003	Amer Inst For Rsch
93	I	N	195,519	U. S. Department of Health and Human Services	A56711/29XS126	Leidos Biomedical
93	I	N	587,500	U. S. Department of Health and Human Services	A56768/29XS126	Leidos Biomedical
93	I	N	21,009	U. S. Department of Health and Human Services	A115416	Univ Calif-San Franc
93	I	N	138,073	U. S. Department of Health and Human Services	CA098543	Children's Hosp Phi
93	I	N	1,000	U. S. Department of Health and Human Services	CRB-UCLA1-S-10-	Social & Scientific
93	I	N	5,591	U. S. Department of Health and Human Services	DD000761	Am Thromb Hemo Netw
93	I	N	33	U. S. Department of Health and Human Services	DK063455	Univ of Michigan
93	I	N	139	U. S. Department of Health and Human Services	FD003516	Boston Univ
93	I	N	12,508	U. S. Department of Health and Human Services	FP00013013-SUB3	Children's Hosp Phi
93	I	N	167,806	U. S. Department of Health and Human Services	FY12.219.003/2-	Univ of Colorado
93	I	N	75,515	U. S. Department of Health and Human Services	GLNE 010	Univ of Michigan
93	I	N	17,820	U. S. Department of Health and Human Services	GS 23F-0024M	Hager Sharp Inc
93	I	N	7,420	U. S. Department of Health and Human Services	HD040492	Duke Univ Med Ctr
93	I	N	-3,424	U. S. Department of Health and Human Services	HHS2002009F310	Scimetrika
93	I	N	-35	U. S. Department of Health and Human Services	HHSN26120062200	H Lee Moffitt Cancer
93	I	N	84,398	U. S. Department of Health and Human Services	HHSN272201000053C	Duke Univ Medical Ctr
93	I	N	2,906	U. S. Department of Health and Human Services	HL27520	Duke Univ
93	I	N	71,801	U. S. Department of Health and Human Services	LSBPO1229	Lifesource Biomedical
93	I	N	35,397	U. S. Department of Health and Human Services	M60-NC-075-1101	Inst Clinical Rsch
93	I	N	9,114	U. S. Department of Health and Human Services	MH090833	Brain Plasticity
93	I	N	1,763,982	U. S. Department of Health and Human Services	N/A	Academyhealth
93	I	N	30	U. S. Department of Health and Human Services	N01-WH-4-4221/3	Wake F Univ Sch Med
93	I	N	14,080	U. S. Department of Health and Human Services	NS026835	Emmes Corporation
93	I	N	36,153	U. S. Department of Health and Human Services	P2011-0026	Childrens Hospital Los Angeles
93	I	N	5,355	U. S. Department of Health and Human Services	PHR-SSS-P-13-00	Social & Scientific
93	I	N	12,177	U. S. Department of Health and Human Services	PHR-SSS-S-13-00	Social & Scientific
93	I	N	217	U. S. Department of Health and Human Services	PHR-SUPS2-S-11-	Social & Scientific
93	I	N	20,368	U. S. Department of Health and Human Services	PO #400031414	GE Global Research
93	I	N	19,896	U. S. Department of Health and Human Services	PO 1568 G NA643	Emmes Corporation
93	I	N	109,959	U. S. Department of Health and Human Services	PO# 7810-96242	Johns Hopkins Univ
93	I	N	73	U. S. Department of Health and Human Services	PO# V399454/Y43	Univ of Arizona
93	I	N	-3	U. S. Department of Health and Human Services	PO#3416088/2057	Mass Gen Hosp
93	I	N	68,837	U. S. Department of Health and Human Services	PO#P0007321/N01	Jackson State Univ
93	I	N	1,541	U. S. Department of Health and Human Services	PROTOCOL 0903 P	Nat Marrow Donor Prg
93	I	N	92	U. S. Department of Health and Human Services	S683870	Emory Univ
93	I	N	58	U. S. Department of Health and Human Services	S722093	Emory Univ
93	I	N	-89	U. S. Department of Health and Human Services	SR00002217	Univ MD-Baltimore
93	I	N	43,796	U. S. Department of Health and Human Services	TFED29-117	NSABP Fdn
93	I	N	4,425	U. S. Department of Health and Human Services	U01DK065176	Duke Univ Med Ctr
93	I	N	945	U. S. Department of Health and Human Services	U10CA095861	Children's Hosp Phi

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93	I	N	20,482	U. S. Department of Health and Human Services	UNC 01/HHSN2712	Feinstein Inst Med R
93	I	N	351,766	U. S. Department of Health and Human Services	UNC-14005-002-0	Advan Bioscience Lab
93	I	N	-14	U. S. Department of Health and Human Services	US001-000025616	Battelle
93	I	Y	-43	ARRA - U. S. Department of Health and Human Services	10ST1086	Saic-Frederick Inc
93	I	Y	90,783	ARRA - U. S. Department of Health and Human Services	12XS457	Leidos Biomedical
93	I	Y	51,537	ARRA - U. S. Department of Health and Human Services	13XS132ST	Saic-Frederick Inc
93	I	Y	379	ARRA - U. S. Department of Health and Human Services	5-312-0210837	RTI
93	I	Y	-2,776	ARRA - U. S. Department of Health and Human Services	CRB-DCR01-S-09-	Social & Scientific
93	I	Y	5,361	ARRA - U. S. Department of Health and Human Services	X13-1092/PO13ST	Saic-Frederick Inc
93.043	I	N	16,637	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	M60-NC-075-1101	Inst Clinical Rsch
93.051	D	N	24,391	Alzheimer's Disease Demonstration Grants to States		
93.061	D	N	415,726	Innovations in Applied Public Health Research		
93.061	D	Y	7,334	ARRA - Innovations in Applied Public Health Research		
93.067	D	N	2,315,916	Global AIDS		
93.067	I	N	2,537,519	Global AIDS	41991	Infect Diseas Zambia
93.067	I	N	973,062	Global AIDS	N/A	Uni Malawi Colle Mec
93.068	I	N	83,058	Chronic Diseases: Research, Control, and Preventior	N/A	Arthritis Fdn
93.069	D	N	167,545	Public Health Emergency Preparedness		
93.073	D	N	1,184,804	Birth Defects and Developmental Disabilities-Prevention and Surveillance		
93.077	D	N	4,020,584	Family Smoking Prevention and Tobacco Control Act Regulatory Research		
93.077	I	N	31,560	Family Smoking Prevention and Tobacco Control Act Regulatory Research	110464	Wake Forest Univ
93.086	D	N	16	Healthy Marriage Promotion and Responsible Fatherhood Grant:		
93.088	D	N	61,712	Advancing System Improvements to Support Targets for Healthy People 2010		
93.103	D	N	548,433	Food and Drug Administration-Research		
93.103	I	N	-139	Food and Drug Administration-Research	559467	Univ of Pennsylvania
93.107	D	N	919,482	Area Health Education Centers Point of Service Maintenance and Enhancement Awards		
93.110	D	N	3,208,985	Maternal and Child Health Federal Consolidated Program:		
93.110	I	N	-448	Maternal and Child Health Federal Consolidated Program:	4407-UNC-DHHS-1	Penn State Univ
93.110	I	N	-17,366	Maternal and Child Health Federal Consolidated Program:	H30MC24046-01	Hemoph. of Georgia
93.110	I	N	99,482	Maternal and Child Health Federal Consolidated Program:	H30MC24046-02	Hemoph. of Georgia
93.113	D	N	11,330,383	Environmental Health		
93.113	I	N	18,056	Environmental Health	0255-9994-4609	Mt Sinai Sch of Med
93.113	I	N	50,639	Environmental Health	11-NIH-1002	Duke Univ Med Ctr
93.113	I	N	49,317	Environmental Health	2001627675	Johns Hopkins Univ
93.113	I	N	6,251	Environmental Health	416310-G/5-2913	Univ of Rochester
93.113	I	N	80,625	Environmental Health	542	Brown Univ
93.113	I	N	301,615	Environmental Health	5R01ES014065-08/NCSU	Mount Desert Island Bio Lab.
93.113	I	N	8,214	Environmental Health	H48496	Univ Southern Calif
93.113	I	N	16,383	Environmental Health	N/A	Biodeptronix LLC
93.113	I	N	51,838	Environmental Health	PO 753538/2331	Henry M Jackson Fdn
93.113	I	N	6,548	Environmental Health	PO#50018343	Univ Southern Calif
93.113	I	N	-5,558	Environmental Health	SC6555950/02559	Mt Sinai Sch of Med
93.113	I	N	21,149	Environmental Health	T133135	Emory Univ
93.113	I	N	-23	Environmental Health	UNC-1R43ES02063	Scikon Innovations
93.113	I	N	111,619	Environmental Health	UNCES019672	Penn State Univ
93.117	D	N	277,168	Preventive Medicine and Public Health Residency Training Program, Integrative Medicine Program, and National Coordinating Center for Integrative Medicine		
93.121	D	N	10,878,272	Oral Diseases and Disorders Research		
93.121	I	N	72,837	Oral Diseases and Disorders Research	000407304-001	Univ of Alabama
93.121	I	N	69,657	Oral Diseases and Disorders Research	000412838-011	Univ of Alabama-Birm

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Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.121	I	N	16,670	Oral Diseases and Disorders Research	018106-UNC2410	Forsyth Institute
93.121	I	N	-37,064	Oral Diseases and Disorders Research	10252SUB	Seattle Chld Hosp
93.121	I	N	14,435	Oral Diseases and Disorders Research	10416SUB	Seattle Chld Hosp
93.121	I	N	3,841	Oral Diseases and Disorders Research	10673SUB	Seattle Chld Hosp
93.121	I	N	13,035	Oral Diseases and Disorders Research	10829SUB	Seattle Chld Hosp
93.121	I	N	1,473	Oral Diseases and Disorders Research	10830SUB	Seattle Chld Hosp
93.121	I	N	113,202	Oral Diseases and Disorders Research	29070010-0003	Methodist Hosp Rsc I
93.121	I	N	75,091	Oral Diseases and Disorders Research	3002885068	Univ of Michigan
93.121	I	N	-1,386	Oral Diseases and Disorders Research	85285270X110360	Healthpartners
93.121	I	N	38,114	Oral Diseases and Disorders Research	F6570-05	New York Univ
93.121	I	N	10,048	Oral Diseases and Disorders Research	F6934-02	New York Univ
93.121	I	N	-2,975	Oral Diseases and Disorders Research	FY13.236.001	Univ of Colorado
93.121	I	N	-16	Oral Diseases and Disorders Research	HS2356	Tufts Univ
93.121	I	N	125,107	Oral Diseases and Disorders Research	N/A	3DMD LLC
93.121	I	N	1,038	Oral Diseases and Disorders Research	OGMB101066 UNC	Univ of Louisville
93.121	I	N	18,696	Oral Diseases and Disorders Research	P002625101	Univ of Minnesota
93.121	I	N	1,281	Oral Diseases and Disorders Research	R01DE018184	Beth Israel Deacon M
93.127	D	N	153,917	Emergency Medical Services for Childrer		
93.135	D	N	3,080,605	Centers for Research and Demonstration for Health Promotion and Disease Prevention		
93.135	I	N	3,239	Centers for Research and Demonstration for Health Promotion and Disease Prevention	416008-G	Univ of Rochester
93.135	I	N	195,684	Centers for Research and Demonstration for Health Promotion and Disease Prevention	99-S132303	Texas A&M Univ
93.136	D	N	2,027,229	Injury Prevention and Control Research and State and Community Based Program:		
93.136	I	N	42,084	Injury Prevention and Control Research and State and Community Based Program:	661	Pacific Inst Resch
93.143	D	N	2,355,624	NIEHS Superfund Hazardous Substances-Basic Research and Educator		
93.145	I	N	-811	AIDS Education and Training Centers	S847086	Emory Univ
93.145	I	N	462	AIDS Education and Training Centers	S847121	Emory Univ
93.145	I	N	622	AIDS Education and Training Centers	S922944	Emory Univ
93.145	I	N	153,070	AIDS Education and Training Centers	T066365	Emory Univ
93.145	I	N	16,983	AIDS Education and Training Centers	T066366	Emory Univ
93.153	I	N	8,460	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0025	Duke Univ Med Ctr
93.153	I	N	12,813	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0026	Duke Univ Med Ctr
93.153	I	N	57,366	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0032	Duke Univ Med Ctr
93.153	I	N	59,280	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0033	Duke Univ Med Ctr
93.155	D	N	1,241,648	Rural Health Research Centers		
93.155	I	N	4,395	Rural Health Research Centers	N/A	Natl Rural Hlth Assn
93.172	D	N	8,057,453	Human Genome Research		
93.172	I	N	125,663	Human Genome Research	12-NIH-1104	Duke Univ Med Ctr
93.172	I	N	25,951	Human Genome Research	13-NIH-1083	Duke Univ
93.172	I	N	90,077	Human Genome Research	1440 G PA513	Univ of Cal-LA
93.172	I	N	-206	Human Genome Research	203-1625	Duke Univ
93.172	I	N	-1,900	Human Genome Research	203-1628	Duke Univ
93.172	I	N	25,103	Human Genome Research	64780	Louisiana State Univ
93.173	D	N	3,284,806	Research Related to Deafness and Communication Disorders		
93.173	I	N	15,615	Research Related to Deafness and Communication Disorders	1000664992	Univ of Iowa
93.173	I	N	21,067	Research Related to Deafness and Communication Disorders	210-1096387-58164	State Univ of New York

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Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.173	I	N	48,818	Research Related to Deafness and Communication Disorders	40966974	Univ Southern Calif
93.173	I	N	62,544	Research Related to Deafness and Communication Disorders	SP0012457	Northwestern Univ
93.173	I	N	141,613	Research Related to Deafness and Communication Disorders	W000501755	Univ of Iowa
93.178	D	N	203,324	Nursing Workforce Diversity		
93.184	I	N	16,361	Disabilities Prevention	2011-06586-02-0	Univ of Ill-Chicago
93.184	I	N	188,784	Disabilities Prevention	ATHN2011001-IVN	Am Thromb Hemo Netw
93.186	D	N	266,675	National Research Service Award in Primary Care Medicine		
93.213	D	N	1,218,503	Research and Training in Complementary and Alternative Medicine		
93.225	D	N	477,656	National Research Service Awards-Health Services Research Training		
93.226	D	N	3,063,912	Research on Healthcare Costs, Quality and Outcomes		
93.226	I	N	1,424	Research on Healthcare Costs, Quality and Outcomes	2011-05887-10-0	Univ of Ill-Chicago
93.226	I	N	29,200	Research on Healthcare Costs, Quality and Outcomes	2039720	Duke Univ
93.226	I	N	27	Research on Healthcare Costs, Quality and Outcomes	A07706 (M10A104	Yale Univ
93.226	I	N	18,193	Research on Healthcare Costs, Quality and Outcomes	SP0025667-PROJ0	Northwestern U Traf
93.233	I	N	32,735	National Center on Sleep Disorders Research	106777	Brigham Women's Hosp
93.241	I	N	39,743	State Rural Hospital Flexibility Program	P000577701	Univ of Minnesota
93.241	I	N	179,206	State Rural Hospital Flexibility Program	P004027953	Univ of Minnesota
93.242	D	N	20,726,135	Mental Health Research Grants		
93.242	I	N	17,642	Mental Health Research Grants	1 (GG005538)	Trust Columbia Univ NY
93.242	I	N	454,304	Mental Health Research Grants	10-NIH-1045	Duke Univ
93.242	I	N	22,159	Mental Health Research Grants	104624	Brigham Women's Hosp
93.242	I	N	45,897	Mental Health Research Grants	13-2194	Cactus Consulting Gr
93.242	I	N	42,214	Mental Health Research Grants	14-2455/PO#3171	Univ of S Carolina
93.242	I	N	-2,019	Mental Health Research Grants	153844/303-1236	Duke Univ
93.242	I	N	133,067	Mental Health Research Grants	1R01MH100628-01	Rush Med College
93.242	I	N	265,026	Mental Health Research Grants	2 (GG005538)	Columbia Univ
93.242	I	N	73,602	Mental Health Research Grants	2000 G NF 192	Univ Cal Los Angeles
93.242	I	N	237,832	Mental Health Research Grants	2001590660	Johns Hopkins Univ
93.242	I	N	-1,761	Mental Health Research Grants	2001799974	Johns Hopkins Univ
93.242	I	N	106,471	Mental Health Research Grants	2001805606	Johns Hopkins Univ
93.242	I	N	31,007	Mental Health Research Grants	2001962149	Johns Hopkins Univ
93.242	I	N	113,832	Mental Health Research Grants	2011-2596	Univ Calif-Irvine
93.242	I	N	-199	Mental Health Research Grants	203-0140	Duke Univ
93.242	I	N	27,893	Mental Health Research Grants	203-1144	Duke Univ Med Ctr
93.242	I	N	9,540	Mental Health Research Grants	203-1284	Duke Univ
93.242	I	N	83,536	Mental Health Research Grants	203-1993	Duke Univ Med Ctr
93.242	I	N	4,539	Mental Health Research Grants	2039425	Duke Univ Med Ctr
93.242	I	N	25,059	Mental Health Research Grants	23650-115782	Harvard Univ
93.242	I	N	71,511	Mental Health Research Grants	416351	Univ of Rochester
93.242	I	N	13,166	Mental Health Research Grants	495K250	Univ Wisconsin-Madis
93.242	I	N	19,530	Mental Health Research Grants	580	Pacific Inst Resch
93.242	I	N	353,886	Mental Health Research Grants	60091569-24813-	Stanford Univ
93.242	I	N	131,541	Mental Health Research Grants	66911R	Univ of Miami
93.242	I	N	11,833	Mental Health Research Grants	699	Pacific Inst Resch
93.242	I	N	6,619	Mental Health Research Grants	H39736	Univ Southern Calif
93.242	I	N	28,302	Mental Health Research Grants	IN4687096UNC	Indiana Univ
93.242	I	N	33,997	Mental Health Research Grants	M12A11109 (A082	Yale Univ
93.242	I	N	170,220	Mental Health Research Grants	N/A	Jericho Sciences
93.242	I	N	8,884	Mental Health Research Grants	PD301397-SC1018	VA Commonwealth Univ
93.242	I	N	3,506	Mental Health Research Grants	PD303148-SC1045	VA Commonwealth Univ
93.242	I	N	7,571	Mental Health Research Grants	PO#2001591772	Johns Hopkins Univ

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.242	I	N	1,768	Mental Health Research Grants	PO#2001624376	Johns Hopkins Univ
93.242	I	N	19,909	Mental Health Research Grants	PO#2001624377	Johns Hopkins Univ
93.242	I	N	110,138	Mental Health Research Grants	PO#2001624432	Johns Hopkins Univ
93.242	I	N	-5,170	Mental Health Research Grants	S940547	Emory Univ
93.242	I	N	161,160	Mental Health Research Grants	SP0014522-PROJ0	Northwestern U Traf
93.242	I	N	98,861	Mental Health Research Grants	T073485	Emory Univ
93.242	I	N	27,585	Mental Health Research Grants	WFUHS 10075	Wake Forest Univ Sch Med
93.242	I	N	35,240	Mental Health Research Grants	WU-12-280/PO 29	Wash Univ-St Louis
93.243	D	N	135,075	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.243	I	N	19,068	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	FY12.525.003	Univ of Colorado
93.243	I	N	-205	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	M13A11406(A0874	Yale Univ
93.243	I	N	30,322	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	M13A11521 (A090	Yale Univ
93.243	I	N	13,386	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	N/A	Cincinnati Behav Hlt
93.247	D	N	288,551	Advanced Nursing Education Grant Program		
93.262	D	N	1,691,092	Occupational Safety and Health Program		
93.262	I	N	3,485	Occupational Safety and Health Program	10-597-UNC	West Virginia Univ
93.262	I	N	-183	Occupational Safety and Health Program	3049024630-12-6	Univ Kentucky Res Fdn
93.262	I	N	-5	Occupational Safety and Health Program	3049024994-13-1	Univ Kentucky Res Fdn
93.262	I	N	106,967	Occupational Safety and Health Program	431639-19070	Virginia Polytechnic Inst
93.262	I	N	-3,036	Occupational Safety and Health Program	729856	Univ of Wash-Seattle
93.262	I	N	-27	Occupational Safety and Health Program	W000217890	Univ of Iowa
93.272	D	N	400	Alcohol National Research Service Awards for Research Training		
93.273	D	N	12,250,526	Alcohol Research Programs		
93.273	I	N	40,097	Alcohol Research Programs	1-312-0212210-5	RTI
93.273	I	N	19,069	Alcohol Research Programs	14-NIH-1043	Duke Univ
93.273	I	N	3,306	Alcohol Research Programs	203-2467	Duke Univ Med Ctr
93.273	I	N	17,970	Alcohol Research Programs	203-3075	Duke Univ
93.273	I	N	38,270	Alcohol Research Programs	406-SUB	Cleveland Clinic Fdr
93.273	I	N	81,053	Alcohol Research Programs	55478	Binghamton Univ
93.273	I	N	28,138	Alcohol Research Programs	GG005688/539716	Columbia Univ
93.276	I	N	4,963	Drug-Free Communities Support Program Grants	UNCW Crossroads	Coastal Horizons Center Inc
93.279	D	N	11,337,462	Drug Abuse and Addiction Research Programs		
93.279	I	N	44,537	Drug Abuse and Addiction Research Programs	1-312-0213082/8	RTI Rsch Triangle In
93.279	I	N	14,786	Drug Abuse and Addiction Research Programs	1550335	Univ of Colorado
93.279	I	N	109,606	Drug Abuse and Addiction Research Programs	1R41DA032293 UN	Algnomics Inc
93.279	I	N	33,538	Drug Abuse and Addiction Research Programs	2001868942	Johns Hopkins Univ
93.279	I	N	25,160	Drug Abuse and Addiction Research Programs	2002156869	Johns Hopkins Univ
93.279	I	N	-67	Drug Abuse and Addiction Research Programs	203-1179	Duke Univ
93.279	I	N	9,548	Drug Abuse and Addiction Research Programs	203-1519	Duke Univ
93.279	I	N	50,086	Drug Abuse and Addiction Research Programs	710-9833-8985	Miriam Hospital
93.279	I	N	8,474	Drug Abuse and Addiction Research Programs	8591	Univ MD-Baltimore
93.279	I	N	-1,019	Drug Abuse and Addiction Research Programs	P24919-00	Texas Christian Univ
93.279	I	N	45,256	Drug Abuse and Addiction Research Programs	PO#SR00000878	Univ MD-Baltimore
93.279	I	N	84,624	Drug Abuse and Addiction Research Programs	PO#SR00002140	Univ MD-Baltimore
93.279	I	N	506,425	Drug Abuse and Addiction Research Programs	UF12269	Univ of Florida
93.279	I	N	-2	Drug Abuse and Addiction Research Programs	Z028101	Univ MD College Park
93.282	D	N	87,621	Mental Health National Research Service Awards for Research Training		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.283	D	N	2,255,820	Center for Disease Control and Prevention-Investigations and Technical Assistance		
93.283	I	N	29,704	Center for Disease Control and Prevention-Investigations and Technical Assistance	16011-1 55	State&Territ Hlth of
93.283	I	N	18,138	Center for Disease Control and Prevention-Investigations and Technical Assistance	16011/PO2220	State&Territ Hlth of
93.283	I	N	14,540	Center for Disease Control and Prevention-Investigations and Technical Assistance	2R44DP003101-02	3C Inst Social Dev
93.283	I	N	81,873	Center for Disease Control and Prevention-Investigations and Technical Assistance	3003045753	Univ of Michigan
93.283	I	N	-1,590	Center for Disease Control and Prevention-Investigations and Technical Assistance	N/A	Uni Del Valle Guatem
93.283	I	N	1,600	Center for Disease Control and Prevention-Investigations and Technical Assistance	S3810-26/28	Assoc Sch Pub Health
93.286	D	N	3,615,632	Discovery and Applied Research for Technological Innovations to Improve Human Health		
93.286	I	N	104,907	Discovery and Applied Research for Technological Innovations to Improve Human Health	106368	Brigham Women's Hosp
93.286	I	N	36,120	Discovery and Applied Research for Technological Innovations to Improve Human Health	106370	Brigham Women's Hosp
93.286	I	N	132,033	Discovery and Applied Research for Technological Innovations to Improve Human Health	1106149	Univ NY Stony Brook
93.286	I	N	6,466	Discovery and Applied Research for Technological Innovations to Improve Human Health	13-1854	Cell Microsystems
93.286	I	N	1,750	Discovery and Applied Research for Technological Innovations to Improve Human Health	1548043 PO 1000030517	Univ of Colorado-Boulder
93.286	I	N	123,622	Discovery and Applied Research for Technological Innovations to Improve Human Health	1550237/PO# 1000209323	Univ of Colorado-Boulder
93.286	I	N	-2	Discovery and Applied Research for Technological Innovations to Improve Human Health	21135-S1	Vanderbilt Univ Med C
93.286	I	N	67,340	Discovery and Applied Research for Technological Innovations to Improve Human Health	2186-016377	Vanderbilt Univ Med C
93.286	I	N	39,664	Discovery and Applied Research for Technological Innovations to Improve Human Health	4/PO#1346727	ME College of Wi
93.286	I	N	118,359	Discovery and Applied Research for Technological Innovations to Improve Human Health	80451	Louisiana State Univ
93.286	I	N	44,663	Discovery and Applied Research for Technological Innovations to Improve Human Health	K000688-00-S03	Kitware Inc
93.286	I	N	29,998	Discovery and Applied Research for Technological Innovations to Improve Human Health	K000792-00-S01	Kitware Inc
93.286	I	N	43,025	Discovery and Applied Research for Technological Innovations to Improve Human Health	R-12-0122	Univ of Houston
93.292	I	N	370	National Public Health Improvement Initiative	N/A	Asso Matern Chld Hlt
93.300	D	N	144,972	National Center for Health Workforce Analysis		
93.300	I	N	38,808	National Center for Health Workforce Analysis	4743-01	Hlth Research Inc
93.307	D	N	2,476,147	Minority Health and Health Disparities Research		
93.307	I	N	18,716	Minority Health and Health Disparities Research	117634/117635	Wake Forest Hlth Sci
93.307	I	N	21,242	Minority Health and Health Disparities Research	3002987899	Univ of Michigan
93.307	I	N	43,989	Minority Health and Health Disparities Research	HU-140004	Hampton Univ
93.307	I	N	50	Minority Health and Health Disparities Research	WFUHS12742	Wake Forest Univ
93.310	D	N	3,245,331	Trans-NIH Research Support		
93.310	I	N	315,636	Trans-NIH Research Support	148614.5030571.	Harvard Med Sch
93.310	I	N	57,112	Trans-NIH Research Support	557217	Univ of Pennsylvania
93.350	D	N	12,529,578	National Center for Advancing Translational Sciences		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.351	D	N	2,453,642	Research Infrastructure Programs		
93.351	I	N	47,306	Research Infrastructure Programs	K000786-00-S04	Kitware Inc
93.358	D	N	368,127	Advanced Education Nursing Traineeships		
93.359	D	N	133,538	Nurse Education, Practice Quality and Retention Grants		
93.361	D	N	3,157,524	Nursing Research		
93.361	I	N	159,893	Nursing Research	0255-5071-4609	Mt Sinai Sch of Med
93.361	I	N	69,630	Nursing Research	2039778	Duke Univ
93.361	I	N	29,229	Nursing Research	560124	Univ of Pennsylvania
93.361	I	N	-235	Nursing Research	8736	Univ of Pittsburgh
93.389	D	N	4,175	National Center for Research Resources		
93.393	D	N	15,234,409	Cancer Cause and Prevention Research		
93.393	I	N	21,594	Cancer Cause and Prevention Research	0255-6601-4609	Mt Sinai Sch of Med
93.393	I	N	39,907	Cancer Cause and Prevention Research	10-16373-99-01-	H Lee Moffitt Cancer
93.393	I	N	1,401	Cancer Cause and Prevention Research	10-1791/PO#30442	Univ of S. Carolina
93.393	I	N	361	Cancer Cause and Prevention Research	1156407	Dana-Farber Cancer
93.393	I	N	-1,517	Cancer Cause and Prevention Research	1156408	Dana-Farber Cancer
93.393	I	N	19,069	Cancer Cause and Prevention Research	12-00223/PO# M130035149	NYU School of Medicine
93.393	I	N	33,210	Cancer Cause and Prevention Research	13-194	Arizona State Univ
93.393	I	N	3,280	Cancer Cause and Prevention Research	150159.5077497.	Harvard Univ
93.393	I	N	-1,395	Cancer Cause and Prevention Research	151256/151249	Univ of Tex San Anto
93.393	I	N	42,241	Cancer Cause and Prevention Research	2001659822	Johns Hopkins Univ
93.393	I	N	-1,542	Cancer Cause and Prevention Research	2012101784	Group Health Cooper
93.393	I	N	12,620	Cancer Cause and Prevention Research	203-0297	Duke Univ
93.393	I	N	4,284	Cancer Cause and Prevention Research	3001476655	Univ of Michigan
93.393	I	N	54,921	Cancer Cause and Prevention Research	44706-D	Univ of Chicago
93.393	I	N	-47,341	Cancer Cause and Prevention Research	55-8002-01	Roswell Park Canc In
93.393	I	N	-407	Cancer Cause and Prevention Research	55-8003-01	Roswell Park Canc In
93.393	I	N	181	Cancer Cause and Prevention Research	55-8004-01	Roswell Park Canc In
93.393	I	N	4	Cancer Cause and Prevention Research	55-8006-01	Roswell Park Canc In
93.393	I	N	69,976	Cancer Cause and Prevention Research	63014976	Mayo Clinic Rocheste
93.393	I	N	46,568	Cancer Cause and Prevention Research	63172415	Mayo Clinic Rocheste
93.393	I	N	10,331	Cancer Cause and Prevention Research	66971E	Univ of Miami
93.393	I	N	3,444	Cancer Cause and Prevention Research	66971E/M174648	Univ of Miami
93.393	I	N	3,614	Cancer Cause and Prevention Research	721516	Fred Hutchinsn Can
93.393	I	N	956,185	Cancer Cause and Prevention Research	76-01	Roswell Park Canc In
93.393	I	N	27,502	Cancer Cause and Prevention Research	913	Dartmouth College
93.393	I	N	16,507	Cancer Cause and Prevention Research	BD515011	Sloan-Kettering Inst
93.393	I	N	159	Cancer Cause and Prevention Research	BD515047	Sloan-Kettering Inst
93.393	I	N	180,356	Cancer Cause and Prevention Research	CA154292-02-UNC	Group Hlth Rsc Inst
93.393	I	N	354,392	Cancer Cause and Prevention Research	CA154292-03-UNC	Group Hlth Rsc Inst
93.393	I	N	40,926	Cancer Cause and Prevention Research	E0012914	Univ of Ill-Chicago
93.393	I	N	9,774	Cancer Cause and Prevention Research	N/A	Johns Hopkins Univ
93.393	I	N	5,570	Cancer Cause and Prevention Research	PO#63289767	Mayo Clinic Rocheste
93.393	I	N	48,500	Cancer Cause and Prevention Research	S898350	Emory Univ
93.393	I	N	52,611	Cancer Cause and Prevention Research	SP00011274-02	Georgia State Univ
93.393	I	N	28,452	Cancer Cause and Prevention Research	T020036	Emory Univ
93.393	I	N	356,276	Cancer Cause and Prevention Research	T072882	Emory Univ
93.393	I	N	20,896	Cancer Cause and Prevention Research	VUMC 42432	Vanderbilt U Med C
93.393	I	N	9,748	Cancer Cause and Prevention Research	WU-14-99	Wash Univ-St Louis
93.394	D	N	6,081,688	Cancer Detection and Diagnosis Research		
93.394	I	N	33,877	Cancer Detection and Diagnosis Research	108415	Brigham Women's Hosp

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.394	I	N	13,518	Cancer Detection and Diagnosis Research	1138	Am Coll Radiol. Imag
93.394	I	N	54,822	Cancer Detection and Diagnosis Research	203-1797	Duke Univ Med Ctr
93.394	I	N	129,994	Cancer Detection and Diagnosis Research	3001861664	Univ of Michigan
93.394	I	N	-3,037	Cancer Detection and Diagnosis Research	3001988623	Univ of Michigan
93.394	I	N	2,748	Cancer Detection and Diagnosis Research	500220-78050	Northeastern Univ
93.394	I	N	6,434	Cancer Detection and Diagnosis Research	6970SC	Univ Calif San Franc
93.394	I	N	86,794	Cancer Detection and Diagnosis Research	FP056002	Univ of Chicago
93.394	I	N	67,997	Cancer Detection and Diagnosis Research	K000646-00-S01	Kitware Inc
93.394	I	N	66,939	Cancer Detection and Diagnosis Research	N/A	Morphormics Inc
93.394	I	N	15,614	Cancer Detection and Diagnosis Research	PO#2923047X/WU-	Wash Univ-St Louis
93.394	I	N	39,154	Cancer Detection and Diagnosis Research	VUMC 38860	Vanderbilt Univ Med C
93.394	I	N	-76,900	Cancer Detection and Diagnosis Research	WU-12-117/29173	Wash Univ-St Louis
93.394	I	N	114,932	Cancer Detection and Diagnosis Research	WU-13-68	Wash Univ-St Louis
93.394	I	N	381,268	Cancer Detection and Diagnosis Research	WU-14-111	Wash Univ-St Louis
93.395	D	N	8,170,938	Cancer Treatment Research		
93.395	I	N	231,930	Cancer Treatment Research	107938	Brigham Women's Hosp
93.395	I	N	4,870	Cancer Treatment Research	1R44CA174074-01	G1 One Therapeutics
93.395	I	N	1	Cancer Treatment Research	20737	Natl Chldhd Cncr Fdn
93.395	I	N	72,538	Cancer Treatment Research	310472	Albert Einstein Coll
93.395	I	N	6,940	Cancer Treatment Research	5R01CA133049-05	Mayo Clinic Rocheste
93.395	I	N	15,242	Cancer Treatment Research	60037258	Ohio State Univ
93.395	I	N	-9,261	Cancer Treatment Research	9-526-1913	Albert Einstein Coll
93.395	I	N	117,048	Cancer Treatment Research	A-13-0031	Zen - Bio, Inc
93.395	I	N	166,025	Cancer Treatment Research	N/A	Gynecologic Oncology
93.395	I	N	-4,019	Cancer Treatment Research	PD300629-SC1012	VA Commonwealth Univ
93.395	I	N	12,210	Cancer Treatment Research	PD300785-SC1051	VA Commonwealth Univ
93.396	D	N	8,759,144	Cancer Biology Research		
93.396	I	N	187,282	Cancer Biology Research	23-S142302	Texas A&M Univ
93.396	I	N	92,042	Cancer Biology Research	431769-19467	Virginia Polytechnic Inst
93.396	I	N	166,114	Cancer Biology Research	5600599560	Baylor Col Med
93.396	I	N	270,228	Cancer Biology Research	900807/RGC00000	UT Southwest Med Ctr
93.396	I	N	-3,540	Cancer Biology Research	GMO-900807	UT Southwest Med Ctr
93.397	D	N	13,015,889	Cancer Centers Support Grants		
93.397	I	N	2,668	Cancer Centers Support Grants	1230601	Dana-Farber Partners
93.397	I	N	5,740	Cancer Centers Support Grants	1231001	Dana-Farber Partners
93.397	I	N	36,110	Cancer Centers Support Grants	2000796704	Johns Hopkins Univ
93.397	I	N	665	Cancer Centers Support Grants	5U54CA142152-04	New Hanover Reg Med
93.398	D	N	5,585,543	Cancer Research Manpower		
93.399	D	N	-7,416	Cancer Control		
93.399	I	N	43,093	Cancer Control	439K331	Univ Wisconsin-Madis
93.399	I	N	13,706	Cancer Control	N/A	NSABP Fdn
93.399	I	N	20,283	Cancer Control	RES507599	Case Western Reserve
93.399	I	N	17,539	Cancer Control	RES508421	Case Western Reserve
93.414	I	Y	17,640	ARRA - State Primary Care Offices	DH140006001	Missouri Hlth Senior
93.505	I	N	14,327	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	14-07-5-01-078-	Montana St Governmen
93.510	D	N	807,484	Affordable Care Act (ACA) Primary Care Residency Expansion Program		
93.512	I	N	118,927	Affordable Care Act (ACA) Personal and Home Care Aide State Training Program (PHCAST)	N/A	Fdn Adv Hlth Prog
93.516	D	N	299,284	Affordable Care Act (ACA) Public Health Training Centers Program		
93.516	I	N	512	Affordable Care Act (ACA) Public Health Training Centers Program	730810	Univ of Wash-Seattle

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93.531	I	N	6,316	PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds	7009600025	Educat Serv Dist 112
93.600	D	N	511,214	Head Start		
93.600	I	N	85,579	Head Start	719100-NTI	Am Acad Pediatrics
93.600	I	N	692	Head Start	719100-UNC	Am Acad Pediatrics
93.601	D	N	343,817	Child Support Enforcement Demonstrations and Special Projects		
93.607	D	N	38,743	Affordable Care Act - Preparedness and Emergency Response Research Centers: A Public Health Systems Approach		
93.610	I	N	103,329	Health Care Innovation Awards (HCIA)	N/A	N3Cn NC Commun Care
93.631	D	N	20	Developmental Disabilities Projects of National Significance		
93.632	D	N	509,287	University Centers for Excellence in Developmental Disabilities Education, Research, and Service		
93.647	I	N	428	Social Services Research and Demonstrator	UA12-052	Univ of Alabama-Tusc
93.648	D	N	292,654	Child Welfare Research Training or Demonstrator		
93.670	D	N	15,979	Child Abuse and Neglect Discretionary Activities		
93.671	I	N	9,539	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	27574-13	Family Services, Inc.
93.701	D	N	2,502	Trans-NIH Recovery Act Research Support		
93.701	D	Y	83,430	ARRA - Trans-NIH Recovery Act Research Support		
93.701	I	Y	-5,297	ARRA - Trans-NIH Recovery Act Research Support	1-312-0212799	RTI
93.701	I	Y	157	ARRA - Trans-NIH Recovery Act Research Support	10-085	Univ of Texas
93.701	I	Y	22	ARRA - Trans-NIH Recovery Act Research Support	163997/303-4618	Duke Univ
93.701	I	Y	548	ARRA - Trans-NIH Recovery Act Research Support	2000784930	Johns Hopkins Univ
93.701	I	Y	10,651	ARRA - Trans-NIH Recovery Act Research Support	203-0662	Duke Univ Med Ctr
93.701	I	Y	33,087	ARRA - Trans-NIH Recovery Act Research Support	203-9432	Duke Univ
93.701	I	Y	-9,213	ARRA - Trans-NIH Recovery Act Research Support	24-6231-0186-00	Univ of Nebraska
93.701	I	Y	-631	ARRA - Trans-NIH Recovery Act Research Support	26051910-42776-	Stanford Univ
93.701	I	Y	-2,255	ARRA - Trans-NIH Recovery Act Research Support	60028291	Ohio State Univ
93.701	I	Y	20,857	ARRA - Trans-NIH Recovery Act Research Support	752621Z	Univ of Wash-Seattle
93.701	I	Y	11,841	ARRA - Trans-NIH Recovery Act Research Support	815510	Rsch Ins Natwide Chl
93.701	I	Y	3,674	ARRA - Trans-NIH Recovery Act Research Support	950700RSUB	Children's Hosp Phi
93.701	I	Y	-43	ARRA - Trans-NIH Recovery Act Research Support	951049RSUB	Children's Hosp Phi
93.701	I	Y	-299	ARRA - Trans-NIH Recovery Act Research Support	K00024-S1	Kitware Inc
93.701	I	Y	2,313	ARRA - Trans-NIH Recovery Act Research Support	P001015303	Univ of Minnesota
93.708	I	Y	-1,260	ARRA - Head Start	46900-621-V12UN	Georgia Early Care L
93.715	D	Y	-110,818	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ		
93.715	I	Y	7,304	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ	108219	Children's Hosp/Cinn
93.715	I	Y	-1,370	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ	108219/31002385	Children's Hosp/Cinn
93.715	I	Y	-11	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ	203-0681	Duke Univ
93.718	D	Y	2,545,558	ARRA - Health Information Technology Regional Extension Centers Program		
93.721	I	Y	19,791	ARRA - Health Information Technology Professionals in Health Care	302-9787	Duke Univ
93.726	I	Y	33,493	ARRA Accelerating Adoption of Comparative Effectiveness Research (CER)	171193/2039064	Duke Univ
93.726	I	Y	144,493	ARRA Accelerating Adoption of Comparative Effectiveness Research (CER)	4-0601	Palo Alto Med Fdn H
93.727	I	Y	88,129	ARRA - Health Information Technology - Beacon Communities	90BC0001/01	SO Piedm Comm Care P
93.730	D	Y	-16,881	ARRA Prevention Research Centers Comparative Effectiveness Research Program		
93.822	D	N	210,791	Health Careers Opportunity Program		
93.837	D	N	24,562,358	Cardiovascular Diseases Research		
93.837	I	N	48,208	Cardiovascular Diseases Research	0000926 (112946	Univ of Pittsburgh
93.837	I	N	8,532	Cardiovascular Diseases Research	0255-2754-4609	Mt Sinai Sch of Med
93.837	I	N	12,315	Cardiovascular Diseases Research	110855	Wake Forest Univ Sch Med

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93.837	I	N	33,478	Cardiovascular Diseases Research	11530-FA87/13-2	Univ of S Carolina
93.837	I	N	66,521	Cardiovascular Diseases Research	153742	Duke Univ
93.837	I	N	32,610	Cardiovascular Diseases Research	165014	Univ Southern Calif
93.837	I	N	5,277	Cardiovascular Diseases Research	203-2282	Duke Univ Med Ctr
93.837	I	N	989	Cardiovascular Diseases Research	203-3202	Duke Univ
93.837	I	N	-9	Cardiovascular Diseases Research	26723	Georgia Hlth Sci Uni
93.837	I	N	112,003	Cardiovascular Diseases Research	3001303804	Univ of Michigan
93.837	I	N	111,940	Cardiovascular Diseases Research	302-0442	Duke Univ Med Ctr
93.837	I	N	70,358	Cardiovascular Diseases Research	303-4533	Duke Univ Med Ctr
93.837	I	N	67,797	Cardiovascular Diseases Research	310268	Albert Einstein Coll
93.837	I	N	50,617	Cardiovascular Diseases Research	431746-19467	Virginia Polytechnic Inst
93.837	I	N	49,548	Cardiovascular Diseases Research	45240550	Univ Southern Calif
93.837	I	N	43,175	Cardiovascular Diseases Research	5	Gramercy Rsch Group
93.837	I	N	12,878	Cardiovascular Diseases Research	5-29746/415311-	Univ of Rochester
93.837	I	N	31,170	Cardiovascular Diseases Research	561458	Univ of Pennsylvania
93.837	I	N	-4,996	Cardiovascular Diseases Research	60028980	Ohio State Univ
93.837	I	N	13,388	Cardiovascular Diseases Research	60036989	Ohio State Univ
93.837	I	N	16,471	Cardiovascular Diseases Research	60040818	Ohio State Univ
93.837	I	N	19,722	Cardiovascular Diseases Research	60436087-107606-A	Stanford Univ
93.837	I	N	9,410	Cardiovascular Diseases Research	6763SC	Univ Calif-San Franc
93.837	I	N	516,694	Cardiovascular Diseases Research	710-9694	Miriam Hospital
93.837	I	N	23,891	Cardiovascular Diseases Research	739597	Univ of Wash-Seattle
93.837	I	N	15,687	Cardiovascular Diseases Research	740622	Univ of Wash-Seattle
93.837	I	N	-14,024	Cardiovascular Diseases Research	745975	Fred Hutchinsn Can
93.837	I	N	85,919	Cardiovascular Diseases Research	753790	Univ of Wash-Seattle
93.837	I	N	159,361	Cardiovascular Diseases Research	772441	Fred Hutchinsn Can
93.837	I	N	-4,725	Cardiovascular Diseases Research	9-526-5496	Albert Einstein Coll
93.837	I	N	-12,605	Cardiovascular Diseases Research	9920080096	Rand Corporation,Inc
93.837	I	N	98,530	Cardiovascular Diseases Research	N/A	Exemplar Genetics
93.837	I	N	195	Cardiovascular Diseases Research	N000550801	Univ of Minnesota
93.837	I	N	52,816	Cardiovascular Diseases Research	N002127502	Univ of Minnesota
93.837	I	N	79,267	Cardiovascular Diseases Research	P000640503	Univ of Minnesota
93.837	I	N	31,608	Cardiovascular Diseases Research	P001897402	Univ of Minnesota
93.837	I	N	51,270	Cardiovascular Diseases Research	P663626606	Univ of Minnesota
93.837	I	N	34,355	Cardiovascular Diseases Research	PO#2923304X/WU-	Wash Univ-St Louis
93.837	I	N	17,915	Cardiovascular Diseases Research	RES505771	Case Western Reserve
93.837	I	N	29	Cardiovascular Diseases Research	S607676	Emory Univ
93.837	I	N	4,521	Cardiovascular Diseases Research	SC280158UNC	Chld Hosp New Orlean
93.837	I	N	62,399	Cardiovascular Diseases Research	SR00002297	Univ MD-Baltimore
93.837	I	N	-1,912	Cardiovascular Diseases Research	W000362057/1001	Univ of Iowa
93.837	I	N	1,650	Cardiovascular Diseases Research	W000466683/1001	Univ of Iowa
93.837	I	N	39,268	Cardiovascular Diseases Research	WFUHS 110854	Wake Forest Univ Sch Med
93.838	D	N	12,049,238	Lung Diseases Research		
93.838	I	N	515	Lung Diseases Research	000378244-001	Univ of Alabama-Birm
93.838	I	N	-10,000	Lung Diseases Research	0016623/116438-	Univ of Pittsburgh
93.838	I	N	47,678	Lung Diseases Research	10842SUB	Seattle Chld Rsch In
93.838	I	N	-212	Lung Diseases Research	1R41HL09529301A	Theralogics
93.838	I	N	28,691	Lung Diseases Research	2011-2546	Univ Calif-Irvine
93.838	I	N	-94	Lung Diseases Research	203-0394	Duke Univ
93.838	I	N	22,249	Lung Diseases Research	203-1647	Duke Univ
93.838	I	N	100,453	Lung Diseases Research	203-2603	Duke Univ

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93.838	I	N	168,108	Lung Diseases Research	2032351	Duke Univ Med Ctr
93.838	I	N	85,896	Lung Diseases Research	2033418	Duke Univ
93.838	I	N	9,228	Lung Diseases Research	2039483	Duke Univ
93.838	I	N	50,484	Lung Diseases Research	4915SC	Univ Calif-San Franc
93.838	I	N	-1,475	Lung Diseases Research	558891	Univ of Pennsylvania
93.838	I	N	125,735	Lung Diseases Research	752648	Univ of Wash-Seattle
93.838	I	N	238,594	Lung Diseases Research	901487-UNC	Chld Hosp Chicago
93.838	I	N	-5	Lung Diseases Research	GC12067-140632	Univ of Virginia
93.838	I	N	-2,452	Lung Diseases Research	IN-4086445-UNC	Trustees Indiana Uni
93.838	I	N	23,812	Lung Diseases Research	IN-4086456-UNC	Iupui Indiana Purdue
93.838	I	N	28,857	Lung Diseases Research	IN-4686685-UNC	Indiana Univ
93.838	I	N	128,307	Lung Diseases Research	N/A	Case Western Reserve
93.838	I	N	116,710	Lung Diseases Research	RES507797	Case Western Reserve
93.839	D	N	8,909,266	Blood Diseases and Resources Research		
93.839	I	N	22,956	Blood Diseases and Resources Research	1/PO#1480701	ME College of Wi
93.839	I	N	28,818	Blood Diseases and Resources Research	1026762	Beth Israel Deacon M
93.839	I	N	40,691	Blood Diseases and Resources Research	203-0276	Duke Univ Med Ctr
93.839	I	N	-8	Blood Diseases and Resources Research	20469-01-01	Children's Hosp Phi
93.839	I	N	86,414	Blood Diseases and Resources Research	2046X-01-02/960	Children's Hosp Phi
93.839	I	N	-445	Blood Diseases and Resources Research	24-1106-0002-20	Univ of Nebraska
93.839	I	N	385,920	Blood Diseases and Resources Research	960819-RSUB/204	Children's Hosp Phi
93.839	I	N	129,830	Blood Diseases and Resources Research	A12099	Rensselaer Polytechn
93.839	I	N	113,307	Blood Diseases and Resources Research	A12470	Rensselaer Polytechn
93.839	I	N	1,658	Blood Diseases and Resources Research	N/A	Children's Hosp Phi
93.846	D	N	8,274,146	Arthritis, Musculoskeletal and Skin Diseases Research		
93.846	I	N	211,274	Arthritis, Musculoskeletal and Skin Diseases Research	1122-001	Maine Medical Center
93.846	I	N	21,272	Arthritis, Musculoskeletal and Skin Diseases Research	12-01091/101776	New York Univ
93.846	I	N	597	Arthritis, Musculoskeletal and Skin Diseases Research	238899 UNC-CHAP	Temple Univ
93.846	I	N	49,294	Arthritis, Musculoskeletal and Skin Diseases Research	2R42AR055042-02	Cytex Therapeutics, Inc
93.846	I	N	10,522	Arthritis, Musculoskeletal and Skin Diseases Research	7744	Univ of Cincinnati
93.846	I	N	-280	Arthritis, Musculoskeletal and Skin Diseases Research	MUSC08-127	Med Univ of SC
93.846	I	N	22,516	Arthritis, Musculoskeletal and Skin Diseases Research	RX 4442-007-UNC	Georgetown Univ
93.847	D	N	22,814,039	Diabetes, Digestive, and Kidney Diseases Extramural Research		
93.847	I	N	82,678	Diabetes, Digestive, and Kidney Diseases Extramural Research	12-023-58090	Calif Polytech St Un
93.847	I	N	-1,391	Diabetes, Digestive, and Kidney Diseases Extramural Research	12-179296-06	Connecticut Chld Mec
93.847	I	N	689,900	Diabetes, Digestive, and Kidney Diseases Extramural Research	13-179296-14	Connecticut Chld Mec
93.847	I	N	44,184	Diabetes, Digestive, and Kidney Diseases Extramural Research	13070883-2	Cornell Medical Co
93.847	I	N	10,179	Diabetes, Digestive, and Kidney Diseases Extramural Research	14070977-01	Cornell Medical Co
93.847	I	N	76,706	Diabetes, Digestive, and Kidney Diseases Extramural Research	1R43DK093119-01	Novan Inc.
93.847	I	N	18,074	Diabetes, Digestive, and Kidney Diseases Extramural Research	1R43DK095640-01	G1 One Therapeutics
93.847	I	N	2,730	Diabetes, Digestive, and Kidney Diseases Extramural Research	2001815789	Johns Hopkins Univ
93.847	I	N	101,930	Diabetes, Digestive, and Kidney Diseases Extramural Research	2011-0322	Theralogics, Inc.
93.847	I	N	22,261	Diabetes, Digestive, and Kidney Diseases Extramural Research	2011-1170	Nutrasorb LLC
93.847	I	N	61,323	Diabetes, Digestive, and Kidney Diseases Extramural Research	203-0621	Duke Univ Med Ctr
93.847	I	N	42,754	Diabetes, Digestive, and Kidney Diseases Extramural Research	203-2789	Duke Univ
93.847	I	N	31,939	Diabetes, Digestive, and Kidney Diseases Extramural Research	20964-UNC	UCLA Biomedical Rsc
93.847	I	N	-4,535	Diabetes, Digestive, and Kidney Diseases Extramural Research	221566	Mass Gen Hosp
93.847	I	N	56,014	Diabetes, Digestive, and Kidney Diseases Extramural Research	222917	Mass Gen Hosp
93.847	I	N	15,699	Diabetes, Digestive, and Kidney Diseases Extramural Research	29474870-48907-	Stanford Univ
93.847	I	N	-2,337	Diabetes, Digestive, and Kidney Diseases Extramural Research	3	ME College of Wi
93.847	I	N	94,057	Diabetes, Digestive, and Kidney Diseases Extramural Research	3001310929	Univ of Michigan

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93.847	I	N	14,453	Diabetes, Digestive, and Kidney Diseases Extramural Research	3001321183	Univ of Michigan
93.847	I	N	16,377	Diabetes, Digestive, and Kidney Diseases Extramural Research	3002498182	Univ of Michigan
93.847	I	N	2,177	Diabetes, Digestive, and Kidney Diseases Extramural Research	330182	Children's Hosp Phi
93.847	I	N	2,488	Diabetes, Digestive, and Kidney Diseases Extramural Research	330182/ 960973R	Children's Hosp Phi
93.847	I	N	2,653	Diabetes, Digestive, and Kidney Diseases Extramural Research	330182/960972RS	Children's Hosp Phi
93.847	I	N	23,531	Diabetes, Digestive, and Kidney Diseases Extramural Research	360-SUB	Cleveland Clinic
93.847	I	N	30,804	Diabetes, Digestive, and Kidney Diseases Extramural Research	4	ME College of Wi
93.847	I	N	33	Diabetes, Digestive, and Kidney Diseases Extramural Research	424928	Children's Hosp/Bost
93.847	I	N	5,420	Diabetes, Digestive, and Kidney Diseases Extramural Research	479892	Children's Hosp/Bost
93.847	I	N	213,697	Diabetes, Digestive, and Kidney Diseases Extramural Research	535748	Children's Hosp/Bost
93.847	I	N	7,259	Diabetes, Digestive, and Kidney Diseases Extramural Research	754857	Univ of Wash-Seattle
93.847	I	N	-3,743	Diabetes, Digestive, and Kidney Diseases Extramural Research	805973	Cedars-Sinai Med Ctr
93.847	I	N	6,340	Diabetes, Digestive, and Kidney Diseases Extramural Research	960474RSUB/3301	Children's Hosp Phi
93.847	I	N	261	Diabetes, Digestive, and Kidney Diseases Extramural Research	960475RSUB/3301	Children's Hosp Phi
93.847	I	N	646	Diabetes, Digestive, and Kidney Diseases Extramural Research	DK095745	Connecticut Chld Mec
93.847	I	N	54,157	Diabetes, Digestive, and Kidney Diseases Extramural Research	N/A	Connecticut Chld Mec
93.847	I	N	251,748	Diabetes, Digestive, and Kidney Diseases Extramural Research	PO#1307860/IN46	Indiana Univ
93.847	I	N	30,198	Diabetes, Digestive, and Kidney Diseases Extramural Research	R01 DK092468	Oregon Research Inst
93.847	I	N	116,523	Diabetes, Digestive, and Kidney Diseases Extramural Research	R42DK074193-02A	Theralogics
93.847	I	N	49,912	Diabetes, Digestive, and Kidney Diseases Extramural Research	S-GRD1213-KR31	George Washington Un
93.847	I	N	368,337	Diabetes, Digestive, and Kidney Diseases Extramural Research	S-GRD1314-KR31	George Washington Un
93.847	I	N	5,786	Diabetes, Digestive, and Kidney Diseases Extramural Research	S630622	Emory Univ
93.847	I	N	26,396	Diabetes, Digestive, and Kidney Diseases Extramural Research	SITE 105 179995	Duke Clinical Rsch
93.847	I	N	24,005	Diabetes, Digestive, and Kidney Diseases Extramural Research	T2D-UNC	Southeast Technivent
93.847	I	N	118,352	Diabetes, Digestive, and Kidney Diseases Extramural Research	UNC DK095078	Penn State Univ
93.847	I	N	77,685	Diabetes, Digestive, and Kidney Diseases Extramural Research	WU-10-172	Wash Univ-St Louis
93.847	I	N	85,678	Diabetes, Digestive, and Kidney Diseases Extramural Research	WU-11-230/29116	Wash Univ-St Louis
93.853	D	N	11,378,827	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.853	I	N	-4,054	Extramural Research Programs in the Neurosciences and Neurological Disorders	0027698 (121489	Univ of Pittsburgh
93.853	I	N	1,189	Extramural Research Programs in the Neurosciences and Neurological Disorders	0314301/2259	Boston Med Ctr
93.853	I	N	53,538	Extramural Research Programs in the Neurosciences and Neurological Disorders	11061135	Cornell Univ
93.853	I	N	108,962	Extramural Research Programs in the Neurosciences and Neurological Disorders	12-01805	New York Univ
93.853	I	N	4,646	Extramural Research Programs in the Neurosciences and Neurological Disorders	19449/G100121-1	Univ Cincinnat
93.853	I	N	80,902	Extramural Research Programs in the Neurosciences and Neurological Disorders	2259	Boston Med Ctr
93.853	I	N	18,499	Extramural Research Programs in the Neurosciences and Neurological Disorders	2921/2259	Boston Med Ctr
93.853	I	N	236	Extramural Research Programs in the Neurosciences and Neurological Disorders	416220	Univ of Rochester
93.853	I	N	182,196	Extramural Research Programs in the Neurosciences and Neurological Disorders	5600909926	Baylor Col Med
93.853	I	N	27,758	Extramural Research Programs in the Neurosciences and Neurological Disorders	562300/PO#:3211818	Univ of Pennsylvania
93.853	I	N	13,375	Extramural Research Programs in the Neurosciences and Neurological Disorders	753189	Univ of Wash-Seattle
93.853	I	N	2	Extramural Research Programs in the Neurosciences and Neurological Disorders	A07868 (M10A104	Yale Univ
93.853	I	N	-1,282	Extramural Research Programs in the Neurosciences and Neurological Disorders	K000841-00-S02	Kitware Inc
93.853	I	N	5,653	Extramural Research Programs in the Neurosciences and Neurological Disorders	N/A	Univ of Miami
93.853	I	N	33,319	Extramural Research Programs in the Neurosciences and Neurological Disorders	UNC NS060722	Penn State Univ
93.853	I	N	2,030	Extramural Research Programs in the Neurosciences and Neurological Disorders	WU-06-236	Wash Univ-St Louis
93.853	I	N	-5,487	Extramural Research Programs in the Neurosciences and Neurological Disorders	WU-08-196/PO#29	Wash Univ-St Louis
93.853	I	N	10,928	Extramural Research Programs in the Neurosciences and Neurological Disorders	WU-13-04/PO 291	Wash Univ-St Louis
93.855	D	N	63,002,692	Allergy, Immunology and Transplantation Research		
93.855	I	N	9,694	Allergy, Immunology and Transplantation Research	0000754179-2120	Fred Hutchinsn Can
93.855	I	N	3,724	Allergy, Immunology and Transplantation Research	0000754180-2120	Fred Hutchinsn Can
93.855	I	N	5,613	Allergy, Immunology and Transplantation Research	0000754469-2120	Fred Hutchinsn Can
93.855	I	N	2,135	Allergy, Immunology and Transplantation Research	0000782594-2120	Fred Hutchinsn Can

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93.855	I	N	2,548	Allergy, Immunology and Transplantation Research	0000782595-2120	Fred Hutchinsn Can
93.855	I	N	2,548	Allergy, Immunology and Transplantation Research	0000782596-2120	Fred Hutchinsn Can
93.855	I	N	50,773	Allergy, Immunology and Transplantation Research	000372529-001	Univ of Alabama-Birm
93.855	I	N	213,415	Allergy, Immunology and Transplantation Research	000397076-011	Univ of Alabama-Birm
93.855	I	N	107,893	Allergy, Immunology and Transplantation Research	000421524-004	Univ of Alabama-Birm
93.855	I	N	6,164	Allergy, Immunology and Transplantation Research	0254-6998-4609	Mt Sinai Sch of Med
93.855	I	N	456,963	Allergy, Immunology and Transplantation Research	0254-6999-4609	Mt Sinai Sch of Med
93.855	I	N	189,950	Allergy, Immunology and Transplantation Research	1-340-0213085	RTI Rsch Triangle In
93.855	I	N	11,838	Allergy, Immunology and Transplantation Research	10466	Wake Forest Univ Sch Med
93.855	I	N	189,934	Allergy, Immunology and Transplantation Research	108084	Brigham Women's Hosp
93.855	I	N	6,652	Allergy, Immunology and Transplantation Research	108085	Brigham Women's Hosp
93.855	I	N	149,139	Allergy, Immunology and Transplantation Research	108088	Brigham Women's Hosp
93.855	I	N	36,389	Allergy, Immunology and Transplantation Research	108090	Brigham Women's Hosp
93.855	I	N	2,233	Allergy, Immunology and Transplantation Research	108273	Brigham Women's Hosp
93.855	I	N	112,898	Allergy, Immunology and Transplantation Research	108402	Brigham Women's Hosp
93.855	I	N	13,916	Allergy, Immunology and Transplantation Research	108488	Brigham Women's Hosp
93.855	I	N	23,625	Allergy, Immunology and Transplantation Research	108561	Brigham Women's Hosp
93.855	I	N	5,004	Allergy, Immunology and Transplantation Research	110007	Brigham Women's Hosp
93.855	I	N	24,874	Allergy, Immunology and Transplantation Research	110009	Brigham Women's Hosp
93.855	I	N	51,736	Allergy, Immunology and Transplantation Research	110014	Brigham Women's Hosp
93.855	I	N	58,614	Allergy, Immunology and Transplantation Research	110080	Brigham Women's Hosp
93.855	I	N	50	Allergy, Immunology and Transplantation Research	110233	Brigham Women's Hosp
93.855	I	N	7,412	Allergy, Immunology and Transplantation Research	110236	Brigham Women's Hosp
93.855	I	N	5,704	Allergy, Immunology and Transplantation Research	110238	Brigham Women's Hosp
93.855	I	N	280,809	Allergy, Immunology and Transplantation Research	110256	Brigham Women's Hosp
93.855	I	N	24,023	Allergy, Immunology and Transplantation Research	114621-5067469	Harvard Sch Pub Hlth
93.855	I	N	285,965	Allergy, Immunology and Transplantation Research	1186603	Dana-Farber Cancer
93.855	I	N	1,642	Allergy, Immunology and Transplantation Research	130219/PO#31002	Children's Hosp/Cinn
93.855	I	N	14,557	Allergy, Immunology and Transplantation Research	1928-11-02	Childrens Research Institute
93.855	I	N	18,990	Allergy, Immunology and Transplantation Research	1R43AI096569-01	Novan Inc.
93.855	I	N	21,678	Allergy, Immunology and Transplantation Research	2	Trust Columbia Univ NY
93.855	I	N	43,634	Allergy, Immunology and Transplantation Research	2 (GG010526)	Columbia Univ
93.855	I	N	1,955,719	Allergy, Immunology and Transplantation Research	2000098352	Johns Hopkins Univ
93.855	I	N	190,074	Allergy, Immunology and Transplantation Research	2001935242	Johns Hopkins Univ
93.855	I	N	81,296	Allergy, Immunology and Transplantation Research	2002115654	Johns Hopkins Univ
93.855	I	N	343,879	Allergy, Immunology and Transplantation Research	2009-2312	Univ Calif-Irvine
93.855	I	N	-1,489	Allergy, Immunology and Transplantation Research	203-0868	Duke Univ
93.855	I	N	-2,279	Allergy, Immunology and Transplantation Research	203-0870	Duke Univ
93.855	I	N	-2,649	Allergy, Immunology and Transplantation Research	203-0872	Duke Univ
93.855	I	N	189,514	Allergy, Immunology and Transplantation Research	203-1099	Duke Univ
93.855	I	N	11,996	Allergy, Immunology and Transplantation Research	203-2315	Duke Univ Med Ctr
93.855	I	N	138,188	Allergy, Immunology and Transplantation Research	203-2319/203-13	Duke Univ Med Ctr
93.855	I	N	19,494	Allergy, Immunology and Transplantation Research	2031965	Duke Univ Med Ctr
93.855	I	N	94,858	Allergy, Immunology and Transplantation Research	2032654	Duke Univ
93.855	I	N	210,255	Allergy, Immunology and Transplantation Research	2033193	Duke Univ Med Ctr
93.855	I	N	960	Allergy, Immunology and Transplantation Research	212022-S4473	Fred Hutchinsn Can
93.855	I	N	2,658	Allergy, Immunology and Transplantation Research	212022-S4475	Fred Hutchinsn Can
93.855	I	N	45	Allergy, Immunology and Transplantation Research	212022-S4913	Fred Hutchinsn Can
93.855	I	N	134,607	Allergy, Immunology and Transplantation Research	2835409/P40669	Imperia Coleg London
93.855	I	N	9,322	Allergy, Immunology and Transplantation Research	302-0478	Duke Univ Med Ctr
93.855	I	N	37,905	Allergy, Immunology and Transplantation Research	302-0567	Duke Univ Med Ctr

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93.855	I	N	381	Allergy, Immunology and Transplantation Research	303-5613	Duke Univ
93.855	I	N	129,557	Allergy, Immunology and Transplantation Research	4500001410	Boston Univ
93.855	I	N	25,909	Allergy, Immunology and Transplantation Research	4500001411	Boston Univ
93.855	I	N	7,409	Allergy, Immunology and Transplantation Research	473K174	Univ Wisconsin
93.855	I	N	87,906	Allergy, Immunology and Transplantation Research	490K582	Univ Wisconsin-Madison
93.855	I	N	150,378	Allergy, Immunology and Transplantation Research	559406	Univ of Pennsylvania
93.855	I	N	73,007	Allergy, Immunology and Transplantation Research	5R44AI084284-04	G-Zero Therapeutics
93.855	I	N	108,222	Allergy, Immunology and Transplantation Research	6119-1236-00-A	Univ of South Florida
93.855	I	N	94,036	Allergy, Immunology and Transplantation Research	638915	Univ of Wash-Seattle
93.855	I	N	-14,665	Allergy, Immunology and Transplantation Research	7228	Magee Women Rsh Inst
93.855	I	N	52,458	Allergy, Immunology and Transplantation Research	7281	Magee Women Rsh Inst
93.855	I	N	130,261	Allergy, Immunology and Transplantation Research	7289	Magee Women Rsh Inst
93.855	I	N	-365	Allergy, Immunology and Transplantation Research	736772	Univ of Wash-Seattle
93.855	I	N	1	Allergy, Immunology and Transplantation Research	737103	Fred Hutchinsn Can
93.855	I	N	1	Allergy, Immunology and Transplantation Research	737206	Fred Hutchinsn Can
93.855	I	N	162	Allergy, Immunology and Transplantation Research	739817	Fred Hutchinsn Can
93.855	I	N	4,382	Allergy, Immunology and Transplantation Research	739819	Fred Hutchinsn Can
93.855	I	N	210,614	Allergy, Immunology and Transplantation Research	749398	Univ of Wash-Seattle
93.855	I	N	178,583	Allergy, Immunology and Transplantation Research	754876	Univ of Wash-Seattle
93.855	I	N	15,005	Allergy, Immunology and Transplantation Research	759220	Univ of Wash-Seattle
93.855	I	N	27,766	Allergy, Immunology and Transplantation Research	769695	Fred Hutchinsn Can
93.855	I	N	12,500	Allergy, Immunology and Transplantation Research	7837SC	Univ Calif San Franc
93.855	I	N	-4,262	Allergy, Immunology and Transplantation Research	9-526-6257	Albert Einstein Coll
93.855	I	N	508,808	Allergy, Immunology and Transplantation Research	9004157 UNCCCH B	Oregon Hlth Sciences
93.855	I	N	4,283	Allergy, Immunology and Transplantation Research	9500301461	Boston Univ
93.855	I	N	5,843	Allergy, Immunology and Transplantation Research	9500301463	Boston Univ
93.855	I	N	66,289	Allergy, Immunology and Transplantation Research	A1068641	Inst Clinical Rsch
93.855	I	N	742	Allergy, Immunology and Transplantation Research	AVGTIO103	Oregon Hlth Sciences
93.855	I	N	-11,045	Allergy, Immunology and Transplantation Research	BRS-ACURE-Q-06-	Social & Scientific
93.855	I	N	29,196	Allergy, Immunology and Transplantation Research	FY14ITN008	Benaroya Rsch Inst
93.855	I	N	96,646	Allergy, Immunology and Transplantation Research	G-2544-1	Colorado State Univ
93.855	I	N	14,696	Allergy, Immunology and Transplantation Research	ITN050AD	Benaroya Rsch Inst
93.855	I	N	412,225	Allergy, Immunology and Transplantation Research	N/A	Brigham Women's Hosp
93.855	I	N	21,049	Allergy, Immunology and Transplantation Research	P66162854R	Univ of Minnesota
93.855	I	N	66,571	Allergy, Immunology and Transplantation Research	PO#2001317148	Johns Hopkins Univ
93.855	I	N	485,832	Allergy, Immunology and Transplantation Research	PO#2001935242	Johns Hopkins Univ
93.855	I	N	38,635	Allergy, Immunology and Transplantation Research	PO#2923289X/WU-	Wash Univ-St Louis
93.855	I	N	60,555	Allergy, Immunology and Transplantation Research	S(GG008377)	Columbia Univ
93.855	I	N	56,120	Allergy, Immunology and Transplantation Research	UF11263	Univ of Florida
93.855	I	N	179,448	Allergy, Immunology and Transplantation Research	W000474787-1001	Univ of Iowa
93.856	D	N	2,509	Microbiology and Infectious Diseases Research		
93.859	D	N	31,499,225	Biomedical Research and Research Training		
93.859	I	N	92,782	Biomedical Research and Research Training	0023300(122281-	Univ of Pittsburgh
93.859	I	N	15	Biomedical Research and Research Training	154181	Duke Univ
93.859	I	N	13,256	Biomedical Research and Research Training	203-1083	Duke Univ
93.859	I	N	19,799	Biomedical Research and Research Training	203-1418	Duke Univ
93.859	I	N	17,773	Biomedical Research and Research Training	203-1990	Duke Univ Med Ctr
93.859	I	N	125,405	Biomedical Research and Research Training	203-3125	Duke Univ Med Ctr
93.859	I	N	6,563	Biomedical Research and Research Training	212851A	Univ of Oregon
93.859	I	N	79,035	Biomedical Research and Research Training	2140	Princeton Univ
93.859	I	N	135,415	Biomedical Research and Research Training	2141	Princeton Univ

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93.859	I	N	91,790	Biomedical Research and Research Training	3003094798	Univ of Michigan
93.859	I	N	364,865	Biomedical Research and Research Training	412K285	Univ Wisconsin
93.859	I	N	45,319	Biomedical Research and Research Training	431745-19071	Virginia Polytechnic Inst
93.859	I	N	-238	Biomedical Research and Research Training	5 U01 GM094663-	Burnham Inst,
93.859	I	N	148,710	Biomedical Research and Research Training	55631-11504-UNC	Burnham Inst,
93.859	I	N	29,004	Biomedical Research and Research Training	5P50GM094503-02	Med College of Wisconsin
93.859	I	N	28,868	Biomedical Research and Research Training	60036168	Ohio State Univ
93.859	I	N	112,364	Biomedical Research and Research Training	61-0859UNC	Michigan St Univ
93.859	I	N	89,155	Biomedical Research and Research Training	659298	Jackson Laboratory
93.859	I	N	-340	Biomedical Research and Research Training	9-526-2457	Albert Einstein Coll
93.859	I	N	108,590	Biomedical Research and Research Training	9003879 (120682	Univ of Pittsburgh
93.859	I	N	-25,797	Biomedical Research and Research Training	9004929	Univ of Pittsburgh
93.859	I	N	4,902	Biomedical Research and Research Training	FY2012-096	Univ of Kansas
93.859	I	N	740	Biomedical Research and Research Training	M8446041102	Univ of Minnesota
93.859	I	N	68,243	Biomedical Research and Research Training	MUSC12-032	Med Univ of SC
93.859	I	N	51,773	Biomedical Research and Research Training	N/A	Cell Microsystems
93.859	I	N	253,948	Biomedical Research and Research Training	PO# 201720	Jackson Laboratory
93.859	I	N	50,369	Biomedical Research and Research Training	PO# 201776	Jackson Laboratory
93.859	I	N	7,730	Biomedical Research and Research Training	PO#200103	Jackson Laboratory
93.859	I	N	3,130	Biomedical Research and Research Training	R-11-0032	Univ of Houston
93.859	I	N	67,690	Biomedical Research and Research Training	S0182729	Univ of Cal-Santa Cruz
93.859	I	N	41,457	Biomedical Research and Research Training	UA 12-009	Univ of Alabama
93.865	D	N	24,446,467	Child Health and Human Development Extramural Research		
93.865	I	N	-3,205	Child Health and Human Development Extramural Research	000312141-002	Univ of Alabama-Birm
93.865	I	N	145,329	Child Health and Human Development Extramural Research	000378020-001	Univ of Alabama-Birm
93.865	I	N	90,451	Child Health and Human Development Extramural Research	000388010-011	Univ of Alabama-Birm
93.865	I	N	46,201	Child Health and Human Development Extramural Research	000500716-001	Univ of Alabama-Birm
93.865	I	N	135,339	Child Health and Human Development Extramural Research	000503311-001	Univ of Alabama-Birm
93.865	I	N	1,102	Child Health and Human Development Extramural Research	1-312-0213113	RTI Rsch Triangle In
93.865	I	N	50,431	Child Health and Human Development Extramural Research	1-312-0213113/8	RTI Rsch Triangle In
93.865	I	N	67,634	Child Health and Human Development Extramural Research	14-NIH-1039	Duke Univ
93.865	I	N	40,449	Child Health and Human Development Extramural Research	14-NIH-1097	Duke Univ
93.865	I	N	118,102	Child Health and Human Development Extramural Research	1547811	Univ of Colorado
93.865	I	N	19,024	Child Health and Human Development Extramural Research	1R01HD072705-01	Eastern VA Med Sch
93.865	I	N	19,578	Child Health and Human Development Extramural Research	2012-2745	Univ Calif-Irvine
93.865	I	N	-3,451	Child Health and Human Development Extramural Research	203-1829	Duke Univ Med Ctr
93.865	I	N	15,864	Child Health and Human Development Extramural Research	203-2840	Duke Univ Med Ctr
93.865	I	N	14,048	Child Health and Human Development Extramural Research	3001978337	Univ of Michigan
93.865	I	N	126,664	Child Health and Human Development Extramural Research	40-4131/UNC	Nat Bureau Econ Res
93.865	I	N	32,338	Child Health and Human Development Extramural Research	4243-UNC-DHHS-0	Penn State Univ
93.865	I	N	26,044	Child Health and Human Development Extramural Research	554599	Univ of Wash-Seattle
93.865	I	N	4,110	Child Health and Human Development Extramural Research	5R24 HD 050821-08	Rehabilitation Inst of Chicagc
93.865	I	N	142,264	Child Health and Human Development Extramural Research	60032241 UNC	Northwestern U Traf
93.865	I	N	7,540	Child Health and Human Development Extramural Research	6707SC	Univ of California-San Francisc
93.865	I	N	147,908	Child Health and Human Development Extramural Research	727265	Univ of Wash-Seattle
93.865	I	N	114,083	Child Health and Human Development Extramural Research	9373	Women Infant Hosp Ri
93.865	I	N	17,753	Child Health and Human Development Extramural Research	GC12123-139438	Univ of Virginia
93.865	I	N	352,916	Child Health and Human Development Extramural Research	N/A	Duke Univ Med Ctr
93.865	I	N	63,598	Child Health and Human Development Extramural Research	PD301855-SC1024	VA Commonwealth Univ
93.865	I	N	10,557	Child Health and Human Development Extramural Research	PD302900-SC1052	VA Commonwealth Univ
93.865	I	N	33,168	Child Health and Human Development Extramural Research	R667020/1087411	Research Fdn of SUNY

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.865	I	N	4,861	Child Health and Human Development Extramural Research	S826076	Emory Univ
93.865	I	N	12,367	Child Health and Human Development Extramural Research	UA12-051	Univ of Alabama-Tusc
93.865	I	N	57,128	Child Health and Human Development Extramural Research	VUMC35301	Vanderbilt Univ Med C
93.865	I	N	4,624	Child Health and Human Development Extramural Research	WU-14-234	Wash Univ-St Louis
93.866	D	N	5,134,486	Aging Research		
93.866	I	N	708	Aging Research	0255-2161-4609	Mt Sinai Sch of Med
93.866	I	N	20,743	Aging Research	10-NIH-1034	Duke Univ
93.866	I	N	260,904	Aging Research	13-NIH-1080	Duke Univ
93.866	I	N	18,679	Aging Research	2001442722	Johns Hopkins Univ
93.866	I	N	6,308	Aging Research	203-3340	Duke Univ
93.866	I	N	4,806	Aging Research	23030.914940.66	Cty Hope Nat Med Ctr
93.866	I	N	690	Aging Research	5-31230	The Trustees of Columbia Univ
93.866	I	N	154,701	Aging Research	60037614	Ohio State Univ
93.866	I	N	30,956	Aging Research	90055	Hebrew Rehab Ctr
93.866	I	N	143,686	Aging Research	A12418	Rensselaer Polytechn
93.866	I	N	-730	Aging Research	N/A	Vortant Technologies
93.866	I	N	113,901	Aging Research	PO#50025514	Univ Southern Califc
93.866	I	N	102,051	Aging Research	RR540-176/49421	Univ of Georgia
93.867	D	N	2,991,858	Vision Research		
93.867	I	N	-14	Vision Research	0255-5081-4609	Mt Sinai Sch of Med
93.867	I	N	-848	Vision Research	10018990-01	Univ of Utah
93.867	I	N	20,842	Vision Research	1R41EY021943-01	Vascular Pharmaceuti
93.867	I	N	6,792	Vision Research	2000133834	Johns Hopkins Univ
93.867	I	N	10,265	Vision Research	2000540260	Johns Hopkins Univ
93.867	I	N	1	Vision Research	2000745235	Johns Hopkins Univ
93.867	I	N	72,329	Vision Research	2001536656	Johns Hopkins Univ
93.867	I	N	36,477	Vision Research	2001590661	Johns Hopkins Univ
93.867	I	N	7,637	Vision Research	PO #0000159964	Univ of Utah
93.867	I	N	15,771	Vision Research	W000569242	Univ of Iowa
93.879	D	N	7	Medical Library Assistance		
93.879	I	N	65,995	Medical Library Assistance	10028048-01	Univ of Utah
93.884	D	N	372,608	Grants for Primary Care Training and Enhancemen		
93.918	D	N	596,833	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		
93.928	D	N	519,805	Special Projects of National Significance		
93.941	D	N	-1,845	HIV Demonstration, Research, Public and Professional Education Project		
93.941	I	N	-5,802	HIV Demonstration, Research, Public and Professional Education Project	115793	Wake Forest Univ
93.943	D	N	333,278	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups		
93.945	D	N	678,562	Assistance Programs for Chronic Disease Prevention and Contro		
93.964	D	N	-457	Prevention and Public Health Fund (PPHF) Public Health Traineeship		
93.969	D	N	418,570	PPHF-2012 Geriatric Education Centers		
93.989	D	N	2,660,864	International Research and Research Training		
93.989	I	N	45,032	International Research and Research Training	5-R25TW008981-0	Stellenbosch Univer
93.989	I	N	28,559	International Research and Research Training	60035474 UNC	Northwestern Univ Traf
93.989	I	N	20,331	International Research and Research Training	61-0012UNC	Michigan St Univ
93.989	I	N	50,306	International Research and Research Training	N/A	Univ of Zambia
93.989	I	N	3,559	International Research and Research Training	VUMC 34750	Vanderbilt Univ Med C
93.989	I	N	547	International Research and Research Training	VUMC 38477	Vanderbilt Univ Med C
93.989	I	N	31,020	International Research and Research Training	VUMC 39590	Vanderbilt Univ Med C

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93.989	I	N	-4,795	International Research and Research Training	VUMC35568	Vanderbilt Univ Med C
93.991	I	N	7,881	Preventive Health and Health Services Block Grant	N/A	NE Dept SS
93.999	D	N	42,678	Test for Suppression Effects of Advanced Energy		
			489,750,798	Total — Research and Development — U. S. Department of Health and Human Services		
Corporation for National and Community Service						
94.006	D	N	-87	AmeriCorps		
			-87	Total — Research and Development — Corporation for National and Community Service		
U. S. Department of Homeland Security						
97	D	N	34,095	U. S. Department of Homeland Security		
97	I	N	155,618	U. S. Department of Homeland Security	12-DHS-1035	Duke Univ
97	I	N	85,612	U. S. Department of Homeland Security	13-215017110 FA45 PO51435	Univ of South Carolina
97	I	N	44,678	U. S. Department of Homeland Security	JCVI-13-010	J Craig Venter Inst
97	I	N	4,677	U. S. Department of Homeland Security	Letter Dated January 4, 2013	Oak Ridge Institute for Science and Education
97	I	N	22,982	U. S. Department of Homeland Security	N/A	Natl Hazard Mitigat
97.044	D	N	505,271	Assistance to Firefighters Grant		
97.061	D	N	2,174,843	Centers for Homeland Security		
97.061	I	N	2,259	Centers for Homeland Security	2102298-03	Stevens Inst Tech
97.061	I	N	-4,838	Centers for Homeland Security	X9106025121	US Dept of Commerce
97.062	D	N	205,779	Scientific Leadership Awards		
97.077	D	N	29,472	Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection		
97.122	D	N	3,397,511	Bio-Preparedness Collaboratory		
			6,657,959	Total — Research and Development — U. S. Department of Homeland Security		
U. S. Agency for International Development						
98	D	N	45,934,788	United States Agency for International Development		
98	I	N	29,370	United States Agency for International Development	0437.0158/80527	Family Health Intn
98	I	N	-6,970	United States Agency for International Development	08-UNC-97	Kenan Institute Asia
98	I	N	30,097	United States Agency for International Development	09-002945-54	Univ of Cal-Davis
98	I	N	20	United States Agency for International Development	2007-1200-04	Oregon State Univ
98	I	N	2,476	United States Agency for International Development	201300395-01	Univ of California-Davis
98	I	N	6,074	United States Agency for International Development	2014-0167	Icrisat
98	I	N	90,789	United States Agency for International Development	41060000-8000044265	Purdue Univ
98	I	N	36,910	United States Agency for International Development	5305/2001208292	Johns Hopkins Univ
98	I	N	433,476	United States Agency for International Development	6015-S03	Westat
98	I	N	70,567	United States Agency for International Development	AID-623-A-12-00	IntraHealth
98	I	N	13,082	United States Agency for International Development	Agreement Number: 09-002494-58	Univ of California-Davis
98	I	N	41,522	United States Agency for International Development	N/A	Right To Care
98	I	N	429,057	United States Agency for International Development	PPC-11-119	Eastern Va Med Sch
98	I	N	8,401	United States Agency for International Development	PPC-11-128	Eastern Va Med Sch
98	I	N	178,451	United States Agency for International Development	PPC-12-159	Eastern Va Med Sch
98	I	N	112,839	United States Agency for International Development	RD011G-C	Oregon State Univ
98	I	N	108,274	United States Agency for International Development	UNC001	Witkoppen Hlth Welfa
98.001	I	N	37,606	USAID Foreign Assistance for Programs Overseas	06-S131628	Texas A&M Univ
98.001	I	N	119,727	USAID Foreign Assistance for Programs Overseas	4-330-0212934	RTI International
98.001	I	N	320,243	USAID Foreign Assistance for Programs Overseas	425955-19070	Virginia Polytechnic Inst

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
98.001	I	N	61,522	USAID Foreign Assistance for Programs Overseas	CCRDACD0006	Engility Corporation
98.012	I	N	188,867	USAID Development Partnerships for University Cooperation and Developmen	HED060-9748-LAC	Higher Educat Develo
			<u>48,247,188</u>	Total — Research and Development — U. S. Agency for International Developmen		
Other Federal Assistance						
99	D	N	354,379	Other Federal Assistance		
			<u>354,379</u>	Total — Research and Development — Other Federal Assistance		
			<u>831,359,538</u>	Total — Research and Development		
CDBG-State Administered CDBG Cluster:						
U. S. Department of Housing and Urban Development						
14.228	D	N	42,592,671	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		
14.228	I	N	8,629	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	A140022001B12DC370001	City of Henderson
14.255	D	Y	-14,710	ARRA - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii – (Recovery Act Funded		
			<u>42,586,590</u>	Total — CDBG-State Administered CDBG Cluster — U. S. Department of Housing and Urban Development		
			<u>42,697,138</u>	Total — CDBG-State Administered CDBG		
Statewide Data Systems—Cluster:						
U. S. Department of Education						
84.372	D	N	699,900	Statewide Data Systems		
84.384	I	Y	24,516	ARRA - Statewide Data Systems, Recovery Act	R384A100037-5641-867	Virginia Dept of Education
			<u>724,416</u>	Total — Statewide Data Systems Cluster — U. S. Department of Educator		
			<u>724,416</u>	Total —Statewide Data Systems		
Student Financial Assistance—Cluster:						
U. S. Department of Education						
84.007	D	N	11,216,643	Federal Supplemental Educational Opportunity Grant		
84.033	D	N	13,625,465	Federal Work-Study Program		
84.038	D	N	99,169,709	Federal Perkins Loan Program-Federal Capital Contribution		
84.063	D	N	777,885,537	Federal Pell Grant Program		
84.268	D	N	1,414,133,008	Federal Direct Student Loans		
84.379	D	N	422,537	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
			<u>2,316,452,899</u>	Total — Student Financial Assistance Programs Cluster — U. S. Department of Education		
U. S. Department of Health and Human Services						
93.264	D	N	611,614	Nurse Faculty Loan Program (NFLP)		
93.342	D	N	3,764,652	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.364	D	N	435,739	Nursing Student Loans		
93.925	D	N	2,164,529	Scholarships for Health Professions Students from Disadvantaged Backgrounds		
			6,976,534	Total — Student Financial Assistance Programs Cluster — U. S. Department of Health and Human Services		
			2,323,429,433	Total — Student Financial Assistance		
School Improvement Grants—Cluster:						
U. S. Department of Education						
84.377	D	N	13,438,958	School Improvement Grants		
84.377	I	N	18,678	School Improvement Grants	T195N070291-10	Alabama Dept of Education
84.388	D	Y	19,145,906	ARRA - School Improvement Grants, Recovery Act		
			32,603,542	Total — School Improvement Grants Cluster — U. S. Department of Education		
			32,603,542	Total — School Improvement Grants		
Supplemental Nutrition Assistance Program (SNAP)—Cluster:						
U. S. Department of Agriculture						
10.551	D	N	2,409,132,037	Supplemental Nutrition Assistance Program		
10.561	D	N	97,402,127	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		
			2,506,534,164	Total — Supplemental Nutrition Assistance Program (SNAP) — U. S. Department of Agriculture		
			2,506,534,164	Total — Supplemental Nutrition Assistance Program (SNAP)		
Special Education—Cluster (IDEA)						
U. S. Department of Education						
84.027	D	N	335,884,215	Special Education-Grants to States		
84.173	D	N	10,976,057	Special Education-Preschool Grants		
			346,860,272	Total — Special Education Cluster (IDEA) — U. S. Department of Education		
			346,860,272	Total — Special Education (IDEA)		
TANF—Cluster:						
U. S. Department of Health and Human Services						
93.558	D	N	236,573,209	Temporary Assistance for Needy Families		
			236,573,209	Total — TANF Cluster — U. S. Department of Health and Human Services		
			236,573,209	Total — TANF		
Teacher Quality Partnership Grants—Cluster:						
U. S. Department of Education						
84.336	D	N	1,283,267	Teacher Quality Partnership Grants		
84.405	D	Y	1,166,324	ARRA - Teacher Quality Partnerships, Recovery Act		
			2,449,591	Total — Teacher Quality Partnership Grants Cluster — U. S. Department of Education		
			2,449,591	Total — Teacher Quality Partnership Grants		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
TRIO—Cluster:						
U. S. Department of Education						
84.042	D	N	8,227,326	TRIO-Student Support Services		
84.044	D	N	2,371,526	TRIO-Talent Search		
84.047	D	N	3,946,665	TRIO-Upward Bound		
84.066	D	N	1,362,240	TRIO-Educational Opportunity Centers		
84.217	D	N	420,261	TRIO-McNair Post-Baccalaureate Achievement		
			<u>16,328,018</u>	Total — TRIO Cluster — U. S. Department of Education		
			<u>16,328,018</u>	Total —TRIO		
Transit Services Programs—Cluster:						
U. S. Department of Transportation						
20.513	D	N	3,468,171	Enhanced Mobility of Seniors and Individuals with Disabilities		
20.516	D	N	1,877,439	Job Access And Reverse Commute Program		
20.521	D	N	483,612	New Freedom Program		
			<u>5,829,222</u>	Total — Transit Services Programs Cluster — U. S. Department of Transportation		
			<u>5,829,222</u>	Total —Transit Services Programs		
WIA—Cluster:						
U. S. Department of Labor						
17.258	D	N	23,007,708	WIA Adult Program		
17.258	I	N	175,784	WIA Adult Program	N/A	Region D
17.258	I	N	249,747	WIA Adult Program	0-2020-33	Cape Fear COG
17.258	I	N	291,633	WIA Adult Program	11-2020-40-6169	Eastern Carolina Workforce Dev Board
17.258	I	N	35,768	WIA Adult Program	1117	Kerr-Tar Regional Council of Governments
17.258	I	N	6,926	WIA Adult Program	12-2020-49-1533	HCCG
17.258	I	N	176,162	WIA Adult Program	13-2020-40-6035-07	Eastern Carolina Workforce Development Board
17.258	I	N	232,491	WIA Adult Program	13-2020-49-1533	HCCG
17.258	I	N	169,907	WIA Adult Program	13-2030-40-6136-03	Eastern Carolina Workforce Development Board
17.258	I	N	104,250	WIA Adult Program	14-2020-40-62227-08	Eastern Carolina Workforce Development Board
17.258	I	N	179,481	WIA Adult Program	14-2020-40-6331-09	Eastern Carolina Workforce Development Board
17.258	I	N	66,534	WIA Adult Program	2020	ECWDB
17.258	I	N	185,690	WIA Adult Program	4505	
17.258	I	N	69,553	WIA Adult Program	9-2020/2040-21-4597-03	Turning Point Workforce Development Board
17.258	I	N	128,859	WIA Adult Program	N/A	Land of Sky Regional Council
17.258	I	N	71,582	WIA Adult Program	WIA-2012-0412-61-57-02	Mountain Area Workforce Development
17.258	I	N	24,734	WIA Adult Program	WIA-Aspire	Mountain Area Workforce Development
17.259	D	N	23,996,216	WIA Youth Activities		
17.259	I	N	167,579	WIA Youth Activities	N/A	Region D
17.259	I	N	218,779	WIA Youth Activities	0-2030-33	Cape Fear COG
17.259	I	N	425,069	WIA Youth Activities	11-2020-40-6169	Eastern Carolina Workforce Development Board
17.259	I	N	130,966	WIA Youth Activities	1117	Kerr-Tar Regional Council of Governments
17.259	I	N	9,931	WIA Youth Activities	12-2040-49-1533	HCCG
17.259	I	N	192,810	WIA Youth Activities	13-2040-49-1533	HCCG
17.259	I	N	184,035	WIA Youth Activities	2040 44 5465	Council of Government
17.259	I	N	158,654	WIA Youth Activities	44-12-5227-Adl/DW/Yth	Lumber River Council of Government
17.259	I	N	341,956	WIA Youth Activities	44-13-5467-Yth	LRCOG
17.259	I	N	57,103	WIA Youth Activities	9-2020/2040-21-4597-03	Turning Point Workforce Development Board

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17.259	I	N	128,741	WIA Youth Activities	N/A	Council of Governments
17.259	I	Y	223	ARRA - WIA Youth Activities	2009-1911	Northeast Workforce Dev Bd
17.278	D	N	37,228,136	WIA Dislocated Worker Formula Grants		
17.278	I	N	263,630	WIA Dislocated Worker Formula Grants	N/A	Region D
17.278	I	N	81,124	WIA Dislocated Worker Formula Grants	11-2020-40-6169	Eastern Carolina Workforce Development Board
17.278	I	N	7,401	WIA Dislocated Worker Formula Grants	12-2030-49-1533	HCCG
17.278	I	N	1,402	WIA Dislocated Worker Formula Grants	12-2031-49-1533	HCCG
17.278	I	N	15,460	WIA Dislocated Worker Formula Grants	12-2031-49-1533OJT	HCCG
17.278	I	N	82,530	WIA Dislocated Worker Formula Grants	13-2020-40-6136-03	Eastern Carolina Workforce Development Board
17.278	I	N	235,403	WIA Dislocated Worker Formula Grants	13-2030-49-1533	HCCG
17.278	I	N	100,000	WIA Dislocated Worker Formula Grants	13-2031-49-1533	HCCG
17.278	I	N	231,258	WIA Dislocated Worker Formula Grants	13-2031-49-1533OJT	HCCG
17.278	I	N	45,209	WIA Dislocated Worker Formula Grants	2020	ECWDB
			<u>89,480,424</u>	Total — WIA Cluster — U. S. Department of Labor		
			<u>89,480,424</u>	Total —WIA		

Other Programs:**U. S. Department of Agriculture**

10	D	N	1,070,205	U. S. Department of Agriculture		
10	D	Y	4,990	ARRA - U. S. Department of Agriculture		
10	I	N	25,474	U. S. Department of Agriculture	018000.340452.19	Mississippi State Univ
10	I	N	22,365	U. S. Department of Agriculture	2014-0482	Carolina Farm Stewardship Assc
10	I	N	10,315	U. S. Department of Agriculture	RC100236NC	The Regents of the Univ of Michigar
10	I	N	9,844	U. S. Department of Agriculture	VSU SUBAgreement TO NCA&T DAT	Virginia State Univ
10.001	D	N	43,371	Agricultural Research-Basic and Applied Research		
10.025	D	N	2,237,959	Plant and Animal Disease, Pest Control, and Animal Care		
10.153	D	N	5,000	Market News		
10.156	D	N	12,566	Federal-State Marketing Improvement Program		
10.156	I	N	3,980	Federal-State Marketing Improvement Program	5613240 / PO # 39845	Univ of Connecticut
10.163	D	N	92,892	Market Protection and Promotion		
10.168	D	N	25,554	Farmers' Market and Local Food Promotion Program		
10.170	D	N	1,027,127	Specialty Crop Block Grant Program - Farm Bill		
10.170	I	N	9,789	Specialty Crop Block Grant Program-Farm Bill	2013-2155	NC Nursery & Landscape Assoc.
10.170	I	N	5,086	Specialty Crop Block Grant Program-Farm Bill	2013-2649	NC Strawberry Assoc.
10.200	D	N	16,389	Grants for Agricultural Research, Special Research Grants		
10.203	D	N	154,556	Payments to Agricultural Experiment Stations Under the Hatch Ac		
10.206	D	N	4,323,064	Grants for Agricultural Research-Competitive Research Grants		
10.210	D	N	199,064	Higher Education - Graduate Fellowships Grant Program		
10.212	I	N	10	Small Business Innovation Research	2013-0100	Farmhand Foods
10.215	I	N	1,103	Sustainable Agriculture Research and Educatior	RD309-101/3842758	USDA-Cooperative State Research Education Ext Service
10.215	I	N	632	Sustainable Agriculture Research and Educatior	RD309-105/4692998	Univ of Georgia
10.215	I	N	3,667	Sustainable Agriculture Research and Educatior	RD309-122/4941316	Univ of Georgia
10.215	I	N	18,333	Sustainable Agriculture Research and Educatior	RD309-125/4940946	Univ of Georgia
10.215	I	N	6,107	Sustainable Agriculture Research and Educatior	UF10247	Univ of Florida
10.216	D	N	403,988	1890 Institution Capacity Building Grants		
10.216	I	N	7,284	1890 Institution Capacity Building Grants	OSP02830020120022	Southern Univ A&M
10.216	I	N	9,804	1890 Institution Capacity Building Grants	Sub Agreement VSU Dated 2-17-14	Virginia State Univ
10.217	D	N	142,541	Higher Education - Institution Challenge Grants Program		
10.217	I	N	37,812	Higher Education - Institution Challenge Grants Program	320699-19071	Virginia Polytechnic Inst
10.217	I	N	-2,274	Higher Education-Institution Challenge Grants Program	416-43-24 B	Iowa State Univ

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10.217	I	N	7,548	Higher Education-Institution Challenge Grants Program	63630	Ohio State Univ
10.217	I	N	25,880	Higher Education - Institution Challenge Grants Program	UF11254	Univ of Florida
10.220	D	N	110,725	Higher Education - Multicultural Scholars Grant Program		
10.224	D	N	-6,155	Fund for Rural America-Research, Education, and Extension Activities		
10.250	D	N	132,589	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations		
10.253	D	N	35,830	Food Assistance and Nutrition Research Programs (FANRP)		
10.255	I	N	2,273	Research Innovation and Development Grants in Economic (RIDGE)	018000.321470.17	Mississippi State Univ
10.255	I	N	36,657	Research Innovation and Development Grants in Economic (RIDGE)	471K461	Univ of Wisconsin-Madison
10.303	D	N	821,201	Integrated Programs		
10.303	I	N	52,516	Integrated Programs	1590-207-2008693	Clemson Univ
10.303	I	N	5,566	Integrated Programs	451008	Texas A&M Univ
10.303	I	N	1,128	Integrated Programs	545850-19071	Virginia Polytechnic Inst
10.303	I	N	-6,989	Integrated Programs	Subaward No. 451012	Texas A&M Univ
10.304	D	N	47,835	Homeland Security-Agricultura		
10.304	I	N	17,108	Homeland Security-Agricultura	RC101676NCSU	Michigan State Univ
10.304	I	N	19,519	Homeland Security-Agricultura	UFDSP00010246	Univ of Florida
10.305	D	N	114,013	International Science and Education Grants		
10.309	I	N	4,627	Specialty Crop Research Initiative	H001545603	Univ of Minnesota
10.310	D	N	666,514	Agriculture and Food Research Initiative (AFRI)		
10.310	I	N	199,796	Agriculture and Food Research Initiative (AFRI)	25-6239-0235-305	Univ of Nebraska-Lincoln
10.310	I	N	11,600	Agriculture and Food Research Initiative (AFRI)	320709-19071	Virginia Polytechnic Inst
10.310	I	N	1,178	Agriculture and Food Research Initiative (AFRI)	545892-19071	Virginia Polytechnic Inst
10.310	I	N	64,471	Agriculture and Food Research Initiative (AFRI)	62524-9497	Cornell Univ
10.310	I	N	4,071	Agriculture and Food Research Initiative (AFRI)	S110031	Texas A&M Univ
10.310	I	N	13,120	Agriculture and Food Research Initiative (AFRI)	UF11100	Univ of Florida
10.310	I	N	718,325	Agriculture and Food Research Initiative (AFRI)	UF11102	Univ of Florida
10.310	I	N	114,829	Agriculture and Food Research Initiative (AFRI)	Z552806	Univ of Maryland
10.311	D	N	136,201	Beginning Farmer and Rancher Development Program		
10.311	I	N	54,461	Beginning Farmer and Rancher Development Program	2012-0276	Inter-Faith Food Shuttle
10.311	I	N	50,575	Beginning Farmer and Rancher Development Program	2140-2	Nat'l Ctr For Appropriate Tech
10.319	I	N	5,175	Farm Business Management and Benchmarking Competitive Grants Program	#FAR-0020967	North Dakota State Univ
10.435	D	N	91,568	State Mediation Grants		
10.455	D	N	36,348	Community Outreach and Assistance Partnership Program		
10.459	D	N	11,715	Commodity Partnerships for Small Agricultural Risk Management Education Sessions		
10.475	D	N	3,793,878	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection		
10.479	D	N	220,686	Food Safety Cooperative Agreements		
10.500	D	N	12,715,973	Cooperative Extension Service		
10.500	I	N	14,198	Cooperative Extension Service	13-070	Univ of New Hampshire
10.500	I	N	13,670	Cooperative Extension Service	21662-05	Univ of Arkansas
10.500	I	N	23,514	Cooperative Extension Service	21663-02 PO#P0040758	Univ of Arkansas
10.500	I	N	7,146	Cooperative Extension Service	21663-19 PO#P0040668	Univ of Arkansas
10.500	I	N	33,825	Cooperative Extension Service	25-6329-0059-809	Univ of Nebraska-Lincoln
10.500	I	N	394,643	Cooperative Extension Service	25-6365-0040-005	Univ of Nebraska-Lincoln
10.500	I	N	12,823	Cooperative Extension Service	25-6365-0040-115	Univ of Nebraska-Lincoln
10.500	I	N	10,242	Cooperative Extension Service	25-6365-0050-051	Univ of Nebraska-Lincoln
10.500	I	N	67,952	Cooperative Extension Service	26-6365-0001-407	Univ of Nebraska-Lincoln
10.500	I	N	4,839	Cooperative Extension Service	3048107987-09-439	Univ of Kentucky Res. Found.
10.500	I	N	1,955	Cooperative Extension Service	39 3124411666122	Tuskegee Univ
10.500	I	N	11,734	Cooperative Extension Service	H000756404	Univ of Minnesota

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
10.500	I	N	17,491	Cooperative Extension Service	RE-675-167/4941466	Univ of Georgia
10.500	I	N	12,491	Cooperative Extension Service	RE582-364/4942436	Univ of Georgia
10.500	I	N	35,117	Cooperative Extension Service	RE675-167/4944396	Univ of Georgia
10.500	I	N	21,986	Cooperative Extension Service	S11218	Kansas State Univ
10.500	I	N	25,000	Cooperative Extension Service	S13081	Kansas State Univ
10.500	I	N	101,535	Cooperative Extension Service	S14018	Kansas State Univ
10.500	I	N	2,568	Cooperative Extension Service	UF-12073	Univ of Florida
10.500	I	N	12,933	Cooperative Extension Service	UF13124	Univ of Florida
10.500	I	N	1,496	Cooperative Extension Service	UTSTUNV46448	Univ of Wyoming
10.549	D	N	18,622	Rural Child Poverty Nutrition Center		
10.557	D	N	197,686,453	Special Supplemental Nutrition Program for Women, Infants, and Childre		
10.558	D	N	88,911,703	Child and Adult Care Food Program		
10.560	D	N	8,582,050	State Administrative Expenses for Child Nutritior		
10.567	D	N	825,553	Food Distribution Program on Indian Reservations		
10.572	D	N	126,844	WIC Farmers' Market Nutrition Program (FMNP)		
10.576	D	N	67,973	Senior Farmers Market Nutrition Program		
10.578	D	N	2,398,483	WIC Grants To States (WGS)		
10.578	D	Y	8,410,606	ARRA - WIC Grants To States (WGS)		
10.579	D	N	553,405	Child Nutrition Discretionary Grants Limited Availability		
10.582	D	N	3,785,880	Fresh Fruit and Vegetable Program		
10.583	I	N	32,534	Hunger Free Communities	#2001407938	John Hopkins Univ
10.600	D	N	21,722	Foreign Market Development Cooperator Program		
10.652	D	N	527,257	Forestry Research		
10.664	D	N	3,586,032	Cooperative Forestry Assistance		
10.664	I	N	2,807	Cooperative Forestry Assistance	RE353-420/4786576	Univ of Georgia
10.664	I	N	47,054	Cooperative Forestry Assistance	TFS-439643-1	Texas A&M Forest Svc
10.676	D	N	2,940,628	Forest Legacy Program		
10.678	D	N	173,515	Forest Stewardship Program		
10.680	D	N	669,090	Forest Health Protection		
10.681	D	N	28,849	Wood Education and Resource Center (WERC)		
10.855	D	N	136,788	Distance Learning and Telemedicine Loans and Grant		
10.902	D	N	617,603	Soil and Water Conservation		
10.903	D	N	53,185	Soil Survey		
10.912	D	N	208,144	Environmental Quality Incentives Prograrr		
10.912	I	N	69,762	Environmental Quality Incentives Prograrr	RI-100-304-NC-State	Rodale Institute
10.960	D	N	96,627	Technical Agricultural Assistance		
10.962	D	N	49,969	Cochran Fellowship Program-International Training-Foreign Participar		
			<u>351,717,248</u>	<u>Total — Other Programs — U. S. Department of Agriculture</u>		

U. S. Department of Commerce

11	D	N	41,357	U. S. Department of Commerce		
11	I	N	75,398	U. S. Department of Commerce	70NANB13H192	Edison Welding Institute
11	I	N	56,967	U. S. Department of Commerce	SA-13-03-NC	South Atlantic Fishery Management Council
11	I	N	11,920	U. S. Department of Commerce	T7268-S120	Georgia Institute of Tech.
11.303	D	N	237,370	Economic Development-Technical Assistance		
11.417	D	N	1,859,898	Sea Grant Support		
11.417	I	N	27,288	Sea Grant Support	RE746-073/4942226	Univ of Georgia
11.417	I	N	6,443	Sea Grant Support	UF-12130	Univ of Florida
11.419	I	N	91,025	Coastal Zone Management Administration Awards	2012-2707	Chagrin River Watershed
11.431	I	N	39,606	Climate and Atmospheric Research	10029211/557723	Univ Pennsylvania
11.431	I	N	8,298	Climate and Atmospheric Research	132315/13540FA93	Univ South Carolina

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
11.431	I	N	14,166	Climate and Atmospheric Research	142569	Univ South Carolina
11.431	I	N	1,275	Climate and Atmospheric Research	NO. NA221A-C	Oregon State Univ
11.431	I	N	643	Climate and Atmospheric Research	NOAA034/05	Eastern Research Group
11.431	I	N	1,558	Climate and Atmospheric Research	NOAANA09NMF4720414	Commerican Fisheries Fdn
11.435	D	N	104,075	Southeast Area Monitoring and Assessment Program		
11.439	D	N	101,726	Marine Mammal Data Program		
11.440	D	N	193,470	Environmental Sciences, Applications, Data, and Education		
11.459	D	N	20,101	Weather and Air Quality Research		
11.459	I	N	12,413	Weather and Air Quality Research	NNC2012-13NOAA	Nurture Nature Ctr
11.460	D	N	39,360	Special Oceanic and Atmospheric Projects		
11.468	D	N	30,970	Applied Meteorological Research		
11.469	D	N	59,359	Congressionally Identified Awards and Projects		
11.472	D	N	39,997	Unallied Science Program		
11.473	I	N	30,002	Coastal Services Center	933920000020121/33	Univ Georgia
11.473	I	N	9,275	Coastal Services Center	SAA12(188)ECUJW2	SE Coastal Ocean Observing
11.481	I	N	20,459	Educational Partnership Program	003499-C3862	Florida A&M Univ
11.483	I	N	13,157	NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	63060003NAI30AR4830227	Nurture Nature Ctr
11.549	D	N	85,388	State and Local Implementation Grant Program		
11.557	D	N	358,041	Broadband Technology Opportunities Program (BTOP)		
11.557	D	Y	1,662,211	ARRA - Broadband Technology Opportunities Program (BTOP)		
11.609	D	N	429,538	Measurement and Engineering Research and Standards		
11.611	D	N	2,291,052	Manufacturing Extension Partnership		
			<u>7,973,806</u>	Total — Other Programs — U. S. Department of Commerce		

U. S. Department of Defense

12	D	N	2,353,710	U. S. Department of Defense		
12	I	N	2,600	U. S. Department of Defense	13-24	Academy of Applied Science
12	I	N	3,818	U. S. Department of Defense	178504	Battelle Memorial Inst
12	I	N	785	U. S. Department of Defense	2012 REAP IN STATISCS	Academy of Applied Science
12	I	N	69,255	U. S. Department of Defense	245450-1	Los Alamos National Sec
12	I	N	152,426	U. S. Department of Defense	2975-07-0530	Point One, LLC
12	I	N	3,807	U. S. Department of Defense	2975-14-0749	Nanohmics, Inc.
12	I	N	42,526	U. S. Department of Defense	2975-2012-0598	Irflex Corporation
12	I	N	112,932	U. S. Department of Defense	4300080655	B&W Y-12
12	I	N	17	U. S. Department of Defense	948-7558-201-2004604	Clemson Univ
12	I	N	15,321	U. S. Department of Defense	GC5464	Geosyntec Consultants
12	I	N	81,613	U. S. Department of Defense	N/A	MCCYN
12	I	N	15,527	U. S. Department of Defense	PO157466	Univ of Southern Cal
12	I	N	4,145	U. S. Department of Defense	S11-36	Pennsylvania State Univ
12	I	N	11,540	U. S. Department of Defense	SB1204-001-7	Spectral Energies, LLC
12	I	N	12,612	U. S. Department of Defense	Sotera-SA-FY11-032	Sotera Defense Solutions
12	I	N	-14,842	U. S. Department of Defense	Subcontract MP-NC A&T SU-SC-01	Binary Group, Inc
12	I	N	18,764	U. S. Department of Defense	TSC-1034-34141	Technology Svs Corp
12.002	D	N	356,369	Procurement Technical Assistance For Business Firms		
12.300	D	N	833,928	Basic and Applied Scientific Research		
12.300	I	N	12,931	Basic and Applied Scientific Research	07-S140728	Texas A&M Univ
12.300	I	N	7,310	Basic and Applied Scientific Research	1140165PO224208	Carnegie Mellon Univ
12.300	I	N	20,586	Basic and Applied Scientific Research	201323A	Florida Institute of Tech
12.300	I	N	836,409	Basic and Applied Scientific Research	W9126G-12-2-0051	Co-Op Ecosystem Studies Unit
12.351	I	N	54,635	Basic Scientific Research-Combating Weapons of Mass Destruction	60040194	OSU Research Fnd

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
12.357	I	N	38,173	ROTC Language and Culture Training Grants	2012-GO-NCSTATE	Institute of Int'l Education
12.357	I	N	372,976	ROTC Language and Culture Training Grants	2013-GO-NCSU	Institute of Int'l Education
12.400	D	N	2,193,729	Military Construction, National Guard		
12.401	D	N	21,712,473	National Guard Military Operations and Maintenance (O&M) Project		
12.404	D	N	2,989,056	National Guard ChalleNGe Program		
12.420	D	N	1,080,233	Military Medical Research and Development		
12.420	I	N	2,747	Military Medical Research and Development	221577W81XH0920001	General Hosp Corp
12.431	D	N	1,473,282	Basic Scientific Research		
12.431	I	N	231,011	Basic Scientific Research	C648921593/28537981	Univ Connecticut
12.431	I	N	179,193	Basic Scientific Research	NA	Univ of Illinois
12.431	I	N	28,550	Basic Scientific Research	P010202825	Science Applications International Corp
12.579	I	N	744,361	Language Training Center	2012-LTC-NCSU	Institute of Int'l Education
12.579	I	N	791,830	Language Training Center	2013-LTC-NCSU	Institute of Int'l Education
12.630	D	N	610,690	Basic, Applied, and Advanced Research in Science and Engineering		
12.630	I	N	15,190	Basic, Applied, and Advanced Research in Science and Engineering	DOE SEP-5-12	Academy of Applied Science
12.800	D	N	637,361	Air Force Defense Research Sciences Program		
12.800	I	N	235	Air Force Defense Research Sciences Program	FWL-SC-11201-01	Foresight Wireless, LLC
12.800	I	N	176,815	Air Force Defense Research Sciences Program	UF-EIES-1202005-UNC	Univ of Florida
12.900	D	N	193,712	Language Grant Program		
12.901	D	N	237,627	Mathematical Sciences Grants Program		
12.901	I	N	4,131	Mathematical Sciences Grants Program	245153	Simons Foundation
12.902	D	N	74,599	Information Security Grant Program		
12.910	I	N	1,322	Research and Technology Development	64016304-01	Univ of Central Florida
			<u>38,798,020</u>	Total — Other Programs — U. S. Department of Defense		
<u>U. S. Central Intelligence Agency</u>						
13	I	N	24,588	U. S. Central Intelligence Agency	411259706	Purdue Univ
			<u>24,588</u>	Total — Other Programs — U. S. Central Intelligence Agency		
<u>U. S. Department of Housing and Urban Development</u>						
14	I	N	12,250	U. S. Department of Housing and Urban Development	Agreement Dated 4-1-11	City of Greensboro
14	I	N	1,594	U. S. Department of Housing and Urban Development	Agreement Dated 4/21/11	Piedmont Triad Council of Governments
14.169	D	N	19,643	Housing Counseling Assistance Program		
14.171	D	N	48,225	Manufactured Home Dispute Resolution		
14.231	D	N	4,071,604	Emergency Solutions Grant Program		
14.241	D	N	2,260,585	Housing Opportunities for Persons with AIDS		
14.401	D	N	122,637	Fair Housing Assistance Program-State and Local		
14.520	D	N	881,861	Historically Black Colleges and Universities Program		
14.703	I	N	60,834	Sustainable Communities Regional Planning Grant Program	2014-0675	Appalachian Sust. Agr'l Proj
14.703	I	N	70,605	Sustainable Communities Regional Planning Grant Program	5811-01/5811-02	Centralina Council of Govt
14.703	I	N	525	Sustainable Communities Regional Planning Grant Program	FD 205441	Piedmont Authority for Regional Transportation
14.704	I	N	711	Community Challenge Planning Grants and the Department of Transportation's TIGER II Planning Grants	FD 205507	City of High Point
14.900	D	N	349,688	Lead-Based Paint Hazard Control in Privately-Owned Housing		
14.900	I	N	19,806	Lead-Based Paint Hazard Control in Privately-Owned Housing	2013-5268	City of High Point
14.906	D	N	273,186	Healthy Homes Technical Studies Grants		
			<u>8,193,754</u>	Total — Other Programs — U. S. Department of Housing and Urban Development		
<u>U. S. Department of Interior</u>						
15	I	N	6,249	U. S. Department of Interior	2012-000069	Puerto Rico DENR
15.225	I	N	40,827	Recreation Resource Management	13005078A00	Univ Massachusetts

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
15.235	I	N	61,604	Southern Nevada Public Land Management	11784400	Univ Nevada Las Vegas
15.423	D	N	56,648	Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)		
15.608	I	N	41,160	Fish and Wildlife Management Assistance	40181AJ186	Mississippi State Univ
15.615	D	N	248,470	Cooperative Endangered Species Conservation Fund		
15.616	D	N	26,480	Clean Vessel Act Program		
15.622	D	N	272,904	Sportfishing and Boating Safety Act		
15.626	D	N	277,186	Enhanced Hunter Education and Safety Program		
15.630	D	N	16,306	Coastal Program		
15.632	I	N	7,844	Conservation Grants Private Stewardship for Imperiled Species	F13AP000833	Chicago Botanic Garden
15.634	D	N	1,148,700	State Wildlife Grants		
15.637	I	N	89,940	Migratory Bird Joint Ventures	19100033130106/40181AJ186	Mississippi State Univ
15.649	I	N	6,339	Service Training and Technical Assistance (Generic Training)	F12AC0105513009A	Missouri State Univ
15.650	D	N	44,836	Research Grants (Generic)		
15.657	D	N	167,077	Endangered Species Conservation-Recovery Implementation Fund		
15.660	D	N	13,420	Endangered Species - Candidate Conservation Action Fund		
15.663	I	N	9,840	National Fish and Wildlife Foundation	4966-NCSU-USFWS-2215	Pennsylvania State Univ
15.669	D	N	518	Cooperative Landscape Conservation		
15.808	D	N	158,472	U. S. Geological Survey-Research and Data Collection		
15.808	I	N	10,549	U. S. Geological Survey-Research and Data Collection	AV08NC0108HQGR0157	America View
15.809	D	N	3,680	National Spatial Data Infrastructure Cooperative Agreements Program		
15.810	D	N	7,374	National Cooperative Geologic Mapping Program		
15.815	I	N	24,155	National Land Remote Sensing-Education Outreach and Research	AV13NC01G14AP00002	America View
15.816	D	N	29,494	Minerals Resources External Research Program		
15.904	D	N	822,995	Historic Preservation Fund Grants-In-Aid		
15.916	D	N	26,850	Outdoor Recreation-Acquisition, Development and Planning		
15.926	D	N	12,696	American Battlefield Protection		
15.931	D	N	46,093	Conservation Activities by Youth Service Organizations		
15.939	D	N	20,580	National Heritage Area Federal Financial Assistance		
15.945	D	N	277,359	Cooperative Research and Training Programs-Resources of the National Park System		
			<u>3,976,645</u>	Total — Other Programs — U. S. Department of Interior		

U. S. Department of Justice

16	D	N	386,218	U. S. Department of Justice		
16.013	D	N	73,369	Violence Against Women Act Court Training and Improvement Grants		
16.017	D	N	337,872	Sexual Assault Services Formula Program		
16.523	D	N	651,827	Juvenile Accountability Block Grants		
16.525	D	N	155,059	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus		
16.525	I	N	7,755	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	BC-2013-DOJ-A&T	Bennett College
16.540	D	N	482,550	Juvenile Justice and Delinquency Prevention-Allocation to State		
16.543	D	N	456,507	Missing Children's Assistance		
16.548	D	N	72,870	Title V-Delinquency Prevention Program		
16.550	D	N	32,268	State Justice Statistics Program for Statistical Analysis Centers		
16.560	D	N	600,242	National Institute of Justice Research, Evaluation, and Development Project Grant		
16.575	D	N	11,700,215	Crime Victim Assistance		
16.576	D	N	2,769,332	Crime Victim Compensation		
16.580	D	N	83,602	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		
16.582	D	N	194,027	Crime Victim Assistance/Discretionary Grants		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
16.585	D	N	98,194	Drug Court Discretionary Grant Program		
16.585	I	N	63,125	Drug Court Discretionary Grant Program	2010-DC-BX-0086	Wake County Finance
16.588	D	N	3,847,604	Violence Against Women Formula Grants		
16.590	I	N	125,770	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	2008-WE-AX-0014	Haywood County
16.590	I	N	94,760	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	2011-WE-AX-0038	City of Durham
16.593	D	N	463,511	Residential Substance Abuse Treatment for State Prisoners		
16.606	D	N	2,827,556	State Criminal Alien Assistance Program		
16.607	D	N	59,437	Bulletproof Vest Partnership Program		
16.609	D	N	26,301	Project Safe Neighborhoods		
16.710	D	N	34,908	Public Safety Partnership and Community Policing Grant:		
16.726	I	N	56,864	Juvenile Mentoring Program	2012-JU-FX-0016	National 4-H Council
16.726	I	N	11,720	Juvenile Mentoring Program	2013-JU-FX-0022	National 4-H Council
16.726	I	N	645	Juvenile Mentoring Program	554949 ALLEN, K.	National 4-H Council
16.726	I	N	800	Juvenile Mentoring Program	NC10825-13-0614-E1	National CASA Assoc
16.726	I	N	3,300	Juvenile Mentoring Program	NC10825-13-0614-F1	National CASA Assoc
16.726	I	N	17,500	Juvenile Mentoring Program	NC10922-13-0613-S1	National CASA Assoc
16.726	I	N	3,300	Juvenile Mentoring Program	NC10922-13-0614-L1	National CASA Assoc
16.726	I	N	72,262	Juvenile Mentoring Program	NMP III-334	National 4-H Council
16.727	D	N	28,865	Enforcing Underage Drinking Laws Program:		
16.731	I	N	3,482	Tribal Youth Program	2011-TY-FX-0031	National 4-H Council
16.735	D	N	122,627	Protecting Inmates and Safeguarding Communities Discretionary Grant Program		
16.740	D	N	225,000	Statewide Automated Victim Information Notification (SAVIN) Prograrr		
16.741	D	N	1,137,351	DNA Backlog Reduction Program		
16.742	D	N	484,479	Paul Coverdell Forensic Sciences Improvement Grant Program:		
16.746	D	N	17,244	Capital Case Litigation		
16.751	I	N	185,398	Edward Byrne Memorial Competitive Grant Program:	12-SA-161-1873	The Council of State Government
16.754	D	N	29,436	Harold Rogers Prescription Drug Monitoring Program		
16.756	I	N	12,400	Court Appointed Special Advocates	NC10922-13-1013-S	National CASA Assoc
16.758	I	N	4,560	Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	14GREENSA13	Children's Advocacy Cntr
16.758	I	N	4,483	Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	15GREENSA14	Children's Advocacy Cntr
16.758	I	N	15,594	Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	2871514	Children's Advocacy Cntr
16.800	D	N	1,698	Recovery Act - Internet Crimes against Children Task Force Program (ICAC)		
16.816	D	N	26,965	John R. Justice Prosecutors and Defenders Incentive Act		
			<u>28,110,852</u>	Total — Other Programs — U. S. Department of Justice		
U. S. Department of Labor						
17.002	D	N	1,795,590	Labor Force Statistics		
17.005	D	N	144,802	Compensation and Working Conditions		
17.225	D	N	768,142,016	Unemployment Insurance		
17.225	D	Y	2,039,302	ARRA - Unemployment Insurance		
17.235	D	N	2,184,293	Senior Community Service Employment Program		
17.245	D	N	11,300,921	Trade Adjustment Assistance		
17.260	D	N	626,025	WIA Dislocated Workers		
17.260	I	N	108,707	WIA Dislocated Workers	0-2040-33	Cape Fear COG
17.260	I	N	2,431	WIA Dislocated Workers	13-2030-40-6035-07	Eastern Carolina Workforce Development Board
17.260	I	N	104,207	WIA Dislocated Workers	14-2030-40-6331-09	Eastern Carolina Workforce Dev. Board
17.260	I	N	216,059	WIA Dislocated Workers	N/A	Land of Sky Regional Council

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
17.260	I	N	14,351	WIA Dislocated Workers	WIA-2012-0412-61-11-02	Mountain Area Workforce Development
17.260	I	N	20,575	WIA Dislocated Workers	WIA-2012-0412-61-57-02	Mountain Area Workforce Development
17.261	D	N	42,175	WIA Pilots, Demonstrations, and Research Projects		
17.265	D	N	279,903	Native American Employment and Training		
17.268	D	N	1,160,578	H-1B Job Training Grants		
17.271	D	N	453,966	Work Opportunity Tax Credit Program (WOTC)		
17.273	D	N	82,796	Temporary Labor Certification for Foreign Workers		
17.275	D	Y	65,811	ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors		
17.280	D	N	147,362	Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants		
17.281	D	N	1,747,841	Workforce Investment Act (WIA) Dislocated Worker National Reserve Technical Assistance and Training		
17.282	D	N	9,609,708	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
17.282	I	N	614,886	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	TC-23794-12-60-A-20	Wichita Area Technical Coll
17.502	D	N	23,088	Occupational Safety and Health-Susan Harwood Training Grant		
17.503	D	N	5,173,728	Occupational Safety and Health-State Prograrr		
17.504	D	N	1,378,074	Consultation Agreements		
17.600	D	N	95,282	Mine Health and Safety Grants		
			<u>807,574,477</u>	Total — Other Programs — U. S. Department of Labor		
<u>U. S. Department of State</u>						
19.040	D	N	107,260	Public Diplomacy Programs		
19.400	I	N	94,374	Academic Exchange Programs-Graduate Students	2014-0931	Institute of Int'l Education
19.501	D	N	284,116	Public Diplomacy Programs for Afghanistan and Pakistar		
			<u>485,750</u>	Total — Other Programs — U. S. Department of State		
<u>U. S. Department of Transportation</u>						
20	D	N	100,679	U. S. Department of Transportation		
20	I	N	136,410	U. S. Department of Transportation	13-025	Triangle Transit Authority
20	I	N	356	U. S. Department of Transportation	2012-2940	Triangle Transit Authority
20	I	N	25,382	U. S. Department of Transportation	DTRT07-G-0004	Univ of Tennessee-Knoxville
20	I	N	13,883	U. S. Department of Transportation	Task Order 13-NCA&T-E1	Univ of Tennessee-Knoxville
20.106	D	N	22,087,866	Airport Improvement Program		
20.218	D	N	564,757	National Motor Carrier Safety		
20.231	D	N	10,000	Performance and Registration Information Systems Managemen		
20.232	D	N	223,254	Commercial Driver's License Program Improvement Grant		
20.234	D	N	210,699	Safety Data Improvement Program		
20.235	D	N	57,109	Commercial Motor Vehicle Operator Training Grants		
20.237	D	N	449,262	Commercial Vehicle Information Systems and Networks		
20.313	D	N	-1	Railroad Research and Development		
20.314	D	N	355,918	Railroad Development		
20.319	D	N	18,020	High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants		
20.319	D	Y	85,121,090	ARRA - High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants		
20.505	D	N	1,352,213	Metropolitan Transportation Planning		
20.509	D	N	24,184,221	Formula Grants for Rural Areas		
20.509	D	Y	2,480,450	ARRA - Formula Grants for Rural Areas		
20.604	D	N	812,669	Safety Incentive Grants for Use of Seatbelts		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
20.607	D	N	1,039,389	Alcohol Open Container Requirements		
20.614	I	N	9,127	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	DTNH2209D00138	Dunlap & Assoc
20.616	D	N	1,038,148	National Priority Safety Programs		
20.700	D	N	330,721	Pipeline Safety Program State Base Grant		
20.703	D	N	453,713	Interagency Hazardous Materials Public Sector Training and Planning Grant		
20.721	D	N	15,000	PHMSA Pipeline Safety Program One Call Gran		
20.931	D	N	155,361	Transportation Planning, Research and Educator		
			<u>141,245,696</u>	Total — Other Programs — U. S. Department of Transportation		
<u>U.S. Department of the Treasury Internal Revenue Service (IRS)</u>						
21.008		N	30,781	Low Income Taxpayer Clinics		
			<u>30,781</u>	Total — Other Programs — U. S. Department of the Treasury Internal Revenue Service (IRS)		
<u>U. S. Appalachian Regional Commission</u>						
23.001	D	N	20,109	Appalachian Regional Development (See individual Appalachian Programs		
23.011	D	N	519,358	Appalachian Research, Technical Assistance, and Demonstration Project		
			<u>539,467</u>	Total — Other Programs — U. S. Appalachian Regional Commissior		
<u>U. S. Equal Employment Opportunity Commission</u>						
30	D	N	88,600	U. S. Equal Employment Opporunity Commissior		
			<u>88,600</u>	Total — Other Programs — U. S. Equal Employment Opporunity Commissior		
<u>U. S. General Services Administration</u>						
39.003	D	N	15,317,910	Donation of Federal Surplus Personal Property		
			<u>15,317,910</u>	Total — Other Programs — U. S. General Services Administration		
<u>U. S. Library of Congress</u>						
42	I	N	7,312	Library of Congress	08A031.90	Illinois State Univ
42	I	N	4,984	Library of Congress	14A075.001	Illinois State Univ
			<u>12,296</u>	Total — Other Programs — U. S. Library of Congress		
<u>National Aeronautics and Space Administration</u>						
43	D	N	190,434	National Aeronautics and Space Administrator		
43	I	N	41,354	National Aeronautics and Space Administrator		
43	I	N	67,220	National Aeronautics and Space Administration	2011-0259	NC SMT Educ Ctr
43	I	N	52,020	National Aeronautics and Space Administrator	LSK-NNK14EA01C-NCAT Letter Sub Letter Dated 9-23-03	Millennium Engineering and Integration Company National Action Council for Minorities in Engineering In
43	I	N	49	National Aeronautics and Space Administrator	N/A	National Action Council for Minorities in Engineering In
43	I	N	36,172	National Aeronautics and Space Administrator	NCSU-03-01-4740-018-NC	Nat'l Inst. of Aerospace
43	I	N	11,644	National Aeronautics and Space Administrator	NCSU-03-01-4740-023-NC	Nat'l Inst. of Aerospace
43	I	N	11,689	National Aeronautics and Space Administrator	NCSU-03-01-4740-024-NC	Nat'l Inst. of Aerospace
43.001	D	N	287,876	Science		
43.001	I	N	67,098	Science	12-002JNA	Delaware State Univ
43.001	I	N	26,264	Science	16228099	Univ of Central FL
43.001	I	N	46,086	Science	4100674052	Carnegie Inst Washington
43.001	I	N	28,234	Science	68016074	Univ Central Florida
43.001	I	N	86,855	Science	SC3041	SETI Institute
43.001	I	N	62	Science	Z647701	Univ Maryland
43.001	I	N	1,228	Science	Z648601	Univ Maryland
43.003	D	N	830	Exploration		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
43.008	D	N	979	Education		
43.009	D	N	55,247	Cross Agency Support		
			<u>1,011,341</u>	Total — Other Programs — National Aeronautics and Space Administrator		

National Endowment for the Arts and Humanities

45	I	N	4,138	Federal Council on the Arts and the Humanities	4434	South Arts
45	I	N	4,290	Federal Council on the Arts and the Humanities	4465	South Arts
45	I	N	41,703	Federal Council on the Arts and the Humanities	ElviraVilchesFellowship	Brown Univ
45	I	N	50,000	Federal Council on the Arts and the Humanities	JohnWallFellowship	Nat'l Humanities Ctr
45.024	D	N	31,450	Promotion of the Arts-Grants to Organizations and Individual		
45.024	I	N	2,400	Promotion of the Arts-Grants to Organizations and Individual	201-11-Southern Circuit	Southern Arts
45.024	I	N	3,904	Promotion of the Arts-Grants to Organizations and Individual	4370	South Arts
45.024	I	N	4,018	Promotion of the Arts-Grants to Organizations and Individual	4473	South Arts
45.025	D	N	786,681	Promotion of the Arts-Partnership Agreements		
45.149	D	N	8,846	Promotion of the Humanities-Division of Preservation and Access		
45.160	D	N	1,395	Promotion of the Humanities-Fellowships and Stipend		
45.160	I	N	86	Promotion of the Humanities-Fellowships and Stipend	FD 205502	City of Chicago Newberry Library
45.160	I	N	33,299	Promotion of the Humanities-Fellowships and Stipend	Letter Dated 2/28/13	Mass Historical Society
45.161	D	N	125,280	Promotion of Humanities-Research		
45.162	D	N	24,760	Promotion of the Humanities-Teaching and Learning Resources and Curriculum Development		
45.163	D	N	105,981	Promotion of the Humanities-Professional Development		
45.164	D	N	3,500	Promotion of the Humanities-Public Programs		
45.164	I	N	1,000	Promotion of the Humanities-Federal/State Partnership	N/A	Gilder Lehrman Institute
45.301	D	N	175,000	Museums for America		
45.309	D	N	59,507	Museum Grants for African American History and Culture		
45.310	D	N	3,826,850	Grants to States		
45.310	I	N	16,681	Grants to States	N/A	State Library of NC
45.312	D	N	74,898	National Leadership Grants		
45.312	I	N	18,864	National Leadership Grants	LG-0710-0235-10	Inst Of Museum & Lib Svcs
45.313	D	N	398,988	Laura Bush 21st Century Librarian Program		
			<u>5,803,519</u>	Total — Other Programs — National Endowment for the Arts and Humanities		

National Science Foundation

47	D	N	632,132	National Science Foundation		
47	I	N	5,175	National Science Foundation	0833076	Stevens Inst Of Tech
47	I	N	705	National Science Foundation	1138814	Council Of Graduate Schools
47	I	N	13,414	National Science Foundation	C602	South Carolina Sea Grant Cnstr
47	I	N	55,637	National Science Foundation	C802	South Carolina Sea Grant Cnstr
47.041	D	N	1,766,491	Engineering Grants		
47.041	I	N	86,725	Engineering Grants	00006051/1469963	UC-Berkeley
47.041	I	N	48,911	Engineering Grants	1158-7558-26-2006281	Clemson Univ
47.041	I	N	43,539	Engineering Grants	1617-206-2008989	Clemson Univ
47.041	I	N	15,382	Engineering Grants	478496-19773	Virginia Polytechnic Inst
47.041	I	N	3,875	Engineering Grants	EEC-1263346	Regents of the Univ of Minnesota
47.041	I	N	3,426	Engineering Grants	GF-1667-2	Univ of North Texas
47.041	I	N	19,843	Engineering Grants	IIP-1068028	National Science Foundation
47.041	I	N	3,435	Engineering Grants	SUB082112/0003361	Univ of Rhode Island
47.049	D	N	1,598,127	Mathematical and Physical Sciences		
47.049	I	N	19,440	Mathematical and Physical Sciences	#2006240	Univ of Minnesota
47.049	I	N	70,912	Mathematical and Physical Sciences	1001217-UNCC	Univ of Wyoming

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
47.049	I	N	84,838	Mathematical and Physical Sciences	12-NSF-1026	Duke Univ
47.049	I	N	19,309	Mathematical and Physical Sciences	PHY-0808790	American Physical Society
47.050	D	N	781,078	Geosciences		
47.050	I	N	16,280	Geosciences	09114190-S1	Vanderbilt Univ
47.050	I	N	1,140	Geosciences	14NSF1026EAR1338694	Duke Univ
47.050	I	N	47,172	Geosciences	157560OCE0939564Y8952E	Univ So California
47.070	D	N	2,978,541	Computer and Information Science and Engineering		
47.070	I	N	7,813	Computer and Information Science and Engineering	00000195 (PO#P254493)	Brown Univ
47.070	I	N	1,475	Computer and Information Science and Engineering	09-059	Arizona State Univ
47.070	I	N	7,777	Computer and Information Science and Engineering	RD199-G2	Georgia Institute of Technology
47.074	D	N	1,183,185	Biological Sciences		
47.074	I	N	33,335	Biological Sciences	1475-206-2007430	Clemson Univ
47.074	I	N	18,571	Biological Sciences	GA10618127098	Univ Virginia
47.074	I	N	72,808	Biological Sciences	PSA6458DEB0830024	Univ Connecticut
47.074	I	N	31,513	Biological Sciences	RC371-226-4941666	Univ of Georgia Res Fnd
47.075	D	N	1,009,705	Social, Behavioral, and Economic Sciences		
47.075	I	N	15,991	Social, Behavioral, and Economic Sciences	#3002539950	Univ of Michigan
47.075	I	N	14,739	Social, Behavioral, and Economic Sciences	8(GG0028707)	Columbia Univ SUNY
47.076	D	N	11,168,112	Education and Human Resources		
47.076	I	N	63,076	Education and Human Resources	#3002578934	Univ of Michigan
47.076	I	N	55,866	Education and Human Resources	0007964-1000046713/4725E	Howard Univ
47.076	I	N	7,600	Education and Human Resources	007797/L13-4500066087	Univ of Cincinnati
47.076	I	N	8,658	Education and Human Resources	08-SC-NSF-1031	Duke Univ
47.076	I	N	26,094	Education and Human Resources	1348810-12-UNC	Horizon
47.076	I	N	8,545	Education and Human Resources	2-312-0213140	Research Triangle Institute Internationa
47.076	I	N	6,997	Education and Human Resources	40783-00-01B	Research Fdn of CUNY
47.076	I	N	68,105	Education and Human Resources	4101-48922	Purdue Univ
47.076	I	N	5,110	Education and Human Resources	61-2168UNCG	Michigan State Univ
47.076	I	N	24,438	Education and Human Resources	92-NC08-NSF2013	Natl Writing Project Corp
47.076	I	N	1,249	Education and Human Resources	Agreement dated 6/17/13	Stevens Inst of Technol
47.076	I	N	46,892	Education and Human Resources	C00032406-1	Univ of Missouri-Columbia
47.076	I	N	17,292	Education and Human Resources	G001103-7505	Southern Methodist Univ
47.076	I	N	1,001	Education and Human Resources	RF01170813/60018933	Ohio State Univ
47.076	I	N	12,861	Education and Human Resources	UF-EIES-1109030-NCA	Univ of Florida
47.076	I	N	16,475	Education and Human Resources	UFO8119	Univ Florida
47.076	I	N	73,870	Education and Human Resources	UTA13-000932	Univ of Texas
47.078	D	N	126,943	Polar Programs		
47.079	D	N	44,334	Office of International and Integrative Activities		
47.079	I	N	96,013	Office of International and Integrative Activities	13-NSF-1035	Duke Univ
47.079	I	N	7,461	Office of International and Integrative Activities	202200545-02	Florida International Univ
47.079	I	N	415	Office of International and Integrative Activities	3027-NCATS-NSF-0062	Pennsylvania State Univ
47.079	I	N	65	Office of International and Integrative Activities	UKB1-7109-TE-13	CRDF Global
47.080	D	N	159,726	Office of Cyberinfrastructure		
47.081	D	N	36,260	Office of Experimental Program to Stimulate Competitive Research		
47.082	D	N	480,001	Trans-NSF Recovery Act Reasearch Support		
47.082	D	Y	562,728	ARRA - Trans-NSF Recovery Act Reasearch Support		
			<u>23,838,626</u>	Total — Other Programs — National Science Foundation		

U. S. Small Business Administration

59	D	N	286,963	U. S. Small Business Administration
59.037	D	N	3,897,908	Small Business Development Centers

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
59.044	D	N	208,714	Veterans Business Development		
59.061	D	N	446,017	State Trade and Export Promotion Pilot Grant Program		
			<u>4,839,602</u>	Total — Other Programs — U. S. Small Business Administration		
U. S. Department of Veterans Affairs						
64.005	D	N	320,123	Grants to States for Construction of State Home Facilities		
64.005	D	Y	310,480	ARRA - Grants to States for Construction of State Home Facilities		
64.018	D	N	1,553	Sharing Specialized Medical Resources		
64.028	D	N	355,532	Post-9/11 Veterans Educational Assistance		
64.124	D	N	392,936	All-Volunteer Force Educational Assistance		
			<u>1,380,624</u>	Total — Other Programs — U. S. Department of Veterans Affairs		
U. S. Environmental Protection Agency						
66	D	N	81,917	U. S. Environmental Protection Agency		
66	I	N	14,807	U. S. Environmental Protection Agency	ParthKothiyaTraineeshij	Oak Ridge Inst For Sci & Ed
66.032	D	N	211,569	State Indoor Radon Grants		
66.034	D	N	153,436	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		
66.040	D	N	241,587	State Clean Diesel Grant Program		
66.127	D	N	23,641	Southeastern U. S. Regional Targeted Watershed Initiative		
66.202	D	N	574,315	Congressionally Mandated Projects		
66.432	D	N	3,868,753	State Public Water System Supervision		
66.433	D	N	79,366	State Underground Water Source Protection		
66.454	D	N	276,462	Water Quality Management Planning		
66.456	D	N	662,843	National Estuary Program		
66.460	D	N	3,825,709	Nonpoint Source Implementation Grants		
66.461	I	N	8,468	Regional Wetland Program Development Grants	1114-01	Environmental Law Inst.
66.472	D	N	291,908	Beach Monitoring and Notification Program Implementation Grant:		
66.474	D	N	9,289	Water Protection Grants to the States		
66.509	I	N	9,922	Science To Achieve Results (STAR) Research Program	8000001508.2	Texas State Univ-San Marcos
66.514	D	N	16,221	Science To Achieve Results (STAR) Fellowship Program:		
66.516	D	N	36,689	P3 Award: National Student Design Competition for Sustainability:		
66.605	D	N	779,917	Performance Partnership Grants		
66.608	D	N	444,186	Environmental Information Exchange Network Grant Program and Related Assistance		
66.611	D	N	31,297	Environmental Policy and Innovation Grants		
66.701	D	N	80,773	Toxic Substances Compliance Monitoring Cooperative Agreements		
66.707	D	N	264,013	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professional:		
66.716	D	N	65,868	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies		
66.717	D	N	8,422	Source Reduction Assistance		
66.801	D	N	2,213,320	Hazardous Waste Management State Program Support		
66.802	D	N	1,464,871	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		
66.804	D	N	796,630	Underground Storage Tank Prevention, Detection and Compliance Program		
66.805	D	N	1,982,926	Leaking Underground Storage Tank Trust Fund Corrective Action Program		
66.808	I	N	1,475	Solid Waste Management Assistance Grants	2975-2013-0036	Green Blue Institute, Inc.
			<u>18,520,600</u>	Total — Other Programs — U. S. Environmental Protection Agency		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Nuclear Regulatory Commission</u>						
77	D	N	120,777	Nuclear Regulatory Commission		
			<u>120,777</u>	Total — Other Programs — Nuclear Regulatory Commission		
<u>U. S. Department of Energy</u>						
81	D	N	159,358	U. S. Department of Energy		
81	I	N	955	U. S. Department of Energy	2014-0672	Argonne Nat'l Lab
81	I	N	31,799	U. S. Department of Energy	AEJ-2-11809-19	Natl Renewable Energy Lat
81	I	N	36,821	U. S. Department of Energy	XEU-0-99515-01	Alliance For Sustainable Energ
81	I	Y	64,438	ARRA - U. S. Department of Energy	Contract Dated 10/12/11	City of Greensboro
81.041	D	N	971,496	State Energy Program		
81.041	D	Y	66,943	ARRA - State Energy Program		
81.042	D	N	1,202,329	Weatherization Assistance for Low-Income Persons		
81.042	D	Y	3,619,725	ARRA - Weatherization Assistance for Low-Income Persons		
81.049	D	N	61,763	Office of Science Financial Assistance Program		
81.086	D	N	252,588	Conservation Research and Developmen		
81.086	I	Y	43,837	ARRA - Conservation Research and Development	TJCOG-CBS-037 / 1546591	Triangle J Coun Govt
81.086	I	Y	38,501	ARRA - Conservation Research and Development	TJCOG-CBS-045	Triangle J Coun Govt
81.087	D	N	669,608	Renewable Energy Research and Developmen		
81.087	I	N	68,847	Renewable Energy Research and Developmen	10001630	EPRI
81.087	I	N	104,804	Renewable Energy Research and Developmen	Service Agreement 1/1/13	SineWatts
81.089	I	N	13,009	Fossil Energy Research and Developmen	000278412-006	Univ Alabama-Birm
81.117	D	N	574,025	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		
81.117	I	N	130,913	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Solar America Cities	ICLEI
81.119	D	N	82,353	State Energy Program Special Projects		
81.121	D	N	69,844	Nuclear Energy Research, Development and Demonstrator		
81.122	D	Y	751,571	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis		
81.129	D	N	223,194	Energy Efficiency and Renewable Energy Technology Deployment, Demonstration and Commercialization		
81.214	D	N	17,668	Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis		
			<u>9,256,389</u>	Total — Other Programs — U. S. Department of Energy		
<u>U. S. Department of Education</u>						
84	D	N	1,007,732	U. S. Department of Education		
84	I	N	204,785	U. S. Department of Education	ED-IES-11-C-0027	Attainment Company, Inc
84	I	N	20,886	U. S. Department of Education	PO#9030849	Charlotte Mecklenburg BOE
84.002	D	N	18,070,127	Adult Education - Basic Grants to States		
84.010	D	N	394,726,532	Title I Grants to Local Educational Agencies		
84.011	D	N	5,112,589	Migrant Education-State Grant Program		
84.011	I	N	79,864	Migrant Education-State Grant Program	130544	Texas State Univ
84.013	D	N	925,852	Title I State Agency Program for Neglected and Delinquent Children and Youtl		
84.015	I	N	232	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	HC12717	East-West Center
84.031	D	N	42,196,938	Higher Education-Institutional Aic		
84.048	D	N	32,781,352	Career and Technical Education -- Basic Grants to States		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
84.116	D	N	128,985	Fund for the Improvement of Postsecondary Education		
84.116	I	N	16,660	Fund for the Improvement of Postsecondary Education	144-907422	Univ of Wisconsin
84.116	I	N	10,992	Fund for the Improvement of Postsecondary Education	B-3	National Commission on Teaching and Americans Future
84.116	I	N	44,050	Fund for the Improvement of Postsecondary Education	N/A	CAEL
84.120	D	N	833,789	Minority Science and Engineering Improvement		
84.126	D	N	101,240,620	Rehabilitation Services-Vocational Rehabilitation Grants to State:		
84.129	D	N	167,632	Rehabilitation Long-Term Training		
84.141	D	N	525,631	Migrant Education-High School Equivalency Program		
84.144	D	N	60,257	Migrant Education-Coordination Program		
84.160	I	N	379	Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind	H160B100002	Northeastern Univ
84.161	D	N	318,609	Rehabilitation Services-Client Assistance Program		
84.169	D	N	465,867	Independent Living-State Grants		
84.177	D	N	694,918	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind		
84.181	D	N	11,674,590	Special Education-Grants for Infants and Families		
84.187	D	N	1,123,341	Supported Employment Services for Individuals with the Most Significant Disabilities		
84.196	D	N	1,620,998	Education for Homeless Children and Youth		
84.196	I	N	8,019	Education for Homeless Children and Youth	206-13-6291-SV-160-2	Region 10 Education Service Center
84.200	D	N	974,299	Graduate Assistance in Areas of National Need		
84.215	D	N	16,863	Fund for the Improvement of Education		
84.224	D	N	536,312	Assistive Technology		
84.265	D	N	138,607	Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training		
84.287	D	N	25,717,007	Twenty-First Century Community Learning Centers		
84.299	D	N	300,438	Indian Education-Special Programs for Indian Children		
84.305	D	N	567,749	Education Research, Development and Dissemination		
84.305	I	N	2,319	Education Research, Development and Dissemination	#2001631854	John Hopkins Univ
84.305	I	N	279	Education Research, Development and Dissemination	GM 10087-125783	Univ of Virginia
84.305	I	N	8,878	Education Research, Development and Dissemination	TUL6771314	Tulane Univ
84.315	D	N	446,821	Capacity Building for Traditionally Underserved Population:		
84.318	D	N	900,384	Educational Technology State Grants		
84.323	D	N	1,498,465	Special Education - State Personnel Development		
84.324	D	N	862,114	Research in Special Education		
84.324	I	N	242,548	Research in Special Education	224311A	Univ of Oregon
84.324	I	N	5,262	Research in Special Education	5-000561	Univ of California-Riverside
84.324	I	N	26,094	Research in Special Education	GM 10118-136450	Univ of Virginia
84.325	D	N	1,472,285	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.325	I	N	24,492	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	#83401	Salus Univ
84.326	D	N	1,198,234	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		
84.326	I	N	1,352	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	224440D	Univ of Oregon
84.326	I	N	75,311	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	FY2013-039	Univ of Kansas Cntr Rsch
84.330	D	N	899,273	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)		
84.334	D	N	3,888,719	Gaining Early Awareness and Readiness for Undergraduate Program:		
84.334	I	N	531	Gaining Early Awareness and Readiness for Undergraduate Program:	P334S120003	US Department of Education
84.335	D	N	23,722	Child Care Access Means Parents in School		
84.350	D	N	277,654	Transition to Teaching		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
84.358	D	N	6,017,715	Rural Education		
84.363	D	N	659,904	School Leadership		
84.365	D	N	13,443,072	English Language Acquisition State Grants		
84.366	D	N	3,676,630	Mathematics and Science Partnerships		
84.366	I	N	40,435	Mathematics and Science Partnerships	20122013S366B110034	Beaufort Schools
84.366	I	N	480,992	Mathematics and Science Partnerships	553993 RAGAN, N.	Duplin County Schools
84.367	D	N	54,734,199	Improving Teacher Quality State Grants		
84.367	I	N	42,207	Improving Teacher Quality State Grants	07NC11	Natl Writing Project
84.367	I	N	22,933	Improving Teacher Quality State Grants	92-NC08-SEED2012	National Writing Project
84.368	D	N	138,808	Grants for Enhanced Assessment Instruments		
84.368	I	N	2,623	Grants for Enhanced Assessment Instruments	ED11-0003-1	Arizona Dept of Education
84.369	D	N	9,694,536	Grants for State Assessments and Related Activities		
84.373	I	N	455,294	Special Education-Technical Assistance on State Data Collector	A001945802	Univ of Minnesota
84.375	D	N	1,392	Academic Competitiveness Grants		
84.378	D	N	2,487,086	College Access Challenge Grant Program		
84.382	D	N	1,639,220	Strengthening Minority-Serving Institutions		
84.395	D	Y	105,773,172	ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act		
84.395	I	Y	9,766	ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	2014-0766	Wake County Public Sch. Sys.
84.395	I	Y	103,074	ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	3-5400-157-311	Winston Salem Forsyth County Schools
84.407	D	N	387,992	Transition Programs for Students with Intellectual Disabilities into Higher Education		
84.411	I	N	42,989	Investing in Innovation (i3) Func	#511138	Teachers College Columbia Univ
84.411	I	N	48,309	Investing in Innovation (i3) Func	SRV11TA-025	NC New Schools Project Inc
84.411	I	N	187,349	Investing in Innovation (i3) Func	SRV12TA-026	NC New Schools Project Inc
84.411	I	N	266,651	Investing in Innovation (i3) Func	U411B120049	Jobs For The Future
84.412	D	N	13,434,532	Race to the Top-Early Learning Challenge		
84.412	I	N	57,276	Race to the Top-Early Learning Challenge	Sub-20130	Guilford Child Development
			<u>868,016,394</u>	Total — Other Programs — U. S. Department of Education		
<u>National Archives and Records Administration</u>						
89.003	D	N	59,603	National Historical Publications and Records Grants		
			<u>59,603</u>	Total — Other Programs — National Archives and Records Administrator		
<u>Other Boards and Commissions</u>						
90.401	D	N	11,600	Help America Vote Act Requirements Payments		
			<u>11,600</u>	Total — Other Programs — Other Boards and Commissions		
<u>U. S. Department of Health and Human Services</u>						
93	D	N	1,007,108	U. S. Department of Health and Human Services		
93	I	N	33,566	U. S. Department of Health and Human Services	#516614	Columbia Univ
93	I	N	50,457	U. S. Department of Health and Human Services	2013-2918	Family Services, Inc.
93	I	N	991	U. S. Department of Health and Human Services	337	Univ of Maryland
93	I	N	13,604	U. S. Department of Health and Human Services	5R24 HD 050821-08	Hamner Institutes
93	I	N	-120	U. S. Department of Health and Human Services	Letter Dated 7-27-11	The American Society For Cell Biology
93	I	N	62,904	U. S. Department of Health and Human Services	SAMHSA# HHSS2832007C	Research Triangle Institute Internationa
93.041	D	N	124,643	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.042	D	N	468,200	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals		
93.043	D	N	515,494	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services		
93.048	D	N	623,964	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects		
93.051	D	N	148,095	Alzheimer's Disease Demonstration Grants to States		
93.052	D	N	4,625,120	National Family Caregiver Support, Title III, Part E		
93.065	I	N	46,497	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	ORISERESEARCHPART	Oak Ridge Assoc Univ
93.069	D	N	371,690	Public Health Emergency Preparedness		
93.070	D	N	483,578	Environmental Public Health and Emergency Response		
93.071	D	N	674,039	Medicare Enrollment Assistance Program		
93.072	D	N	163,596	Lifespan Respite Care Program		
93.074	D	N	22,946,320	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements		
93.079	D	N	160,825	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance		
93.087	D	N	485,734	Enhance Safety of Children Affected by Substance Abuse		
93.089	D	N	63,786	Emergency System for Advance Registration of Volunteer Health Professionals		
93.092	D	N	1,485,515	Affordable Care Act (ACA) Personal Responsibility Education Program		
93.094	D	N	625,480	Well-Integrated Screening and Evaluation for Women Across the Nation		
93.103	D	N	1,156,934	Food and Drug Administration-Research		
93.103	I	N	17,751	Food and Drug Administration-Research	13-AUFSI-360490	Auburn Univ
93.103	I	N	8,408	Food and Drug Administration-Research	13-AUFSI-360490-NCSU-2	Auburn Univ
93.103	I	N	26,942	Food and Drug Administration-Research	13-AUFSI-360490-NCSU-3	Auburn Univ
93.103	I	N	7,573	Food and Drug Administration-Research	14-AUFSI-360490-NCSU	Auburn Univ
93.103	I	N	2,597	Food and Drug Administration-Research	14-AUFSI-360490-NCSU-2	Auburn Univ
93.104	D	N	95,237	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		
93.104	I	N	34,245	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	AC-000003	Alamance Co Dept Social Services
93.110	D	N	144,779	Maternal and Child Health Federal Consolidated Program:		
93.110	I	N	42,816	Maternal and Child Health Federal Consolidated Program:	RS20110719-02	Univ of Oklahoma
93.110	I	N	5,751	Maternal and Child Health Federal Consolidated Program:	S854432	Emory Univ
93.113	D	N	461,689	Environmental Health		
93.113	I	N	37,928	Environmental Health	314301	Boston Med Center
93.113	I	N	194,765	Environmental Health	A120038003	Research Triangle Inst
93.116	D	N	2,110,500	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		
93.124	D	N	112,511	Nurse Anesthetist Traineeships		
93.127	D	N	154,310	Emergency Medical Services for Children		
93.130	D	N	323,526	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices		
93.135	I	N	18,832	Centers for Research and Demonstration for Health Promotion and Disease Prevention	5U48DP001921-05S1	USDHHS/CDC/nccdphp
93.136	D	N	987,729	Injury Prevention and Control Research and State and Community Based Program:		
93.145	D	N	38,427	AIDS Education and Training Centers		
93.150	D	N	848,709	Projects for Assistance in Transition from Homelessness (PATH)		
93.153	D	N	523,723	Coordinated Services and Access to Research for Women, Infants, Children, and Youth		
93.173	D	N	20,502	Research Related to Deafness and Communication Disorders		
93.178	D	N	272,868	Nursing Workforce Diversity		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.191	D	N	177,768	Graduate Psychology Education Program and Patient Navigator and Chronic Disease Prevention Program		
93.204	D	N	22,457	Surveillance of Hazardous Substance Emergency Events		
93.211	D	N	90,999	Telehealth Programs		
93.213	D	N	606,188	Research and Training in Complementary and Alternative Medicin		
93.213	I	N	147,293	Research and Training in Complementary and Alternative Medicin	724787	Univ of Washington
93.217	D	N	5,550,174	Family Planning-Services		
93.226	I	N	13,000	Research on Healthcare Costs, Quality and Outcomes	WFUHS 118165	Wake Forest Univ HS
93.234	D	N	249,533	Traumatic Brain Injury State Demonstration Grant Program		
93.235	D	N	1,689,341	Affordable Care Act (ACA) Abstinence Education Program		
93.236	D	N	157,161	Grants to States to Support Oral Health Workforce Activities		
93.240	D	N	221,913	State Capacity Building		
93.241	D	N	502,194	State Rural Hospital Flexibility Program		
93.242	D	N	1,441,804	Mental Health Research Grants		
93.242	I	N	132,589	Mental Health Research Grants	203-3280	Duke Univ
93.242	I	N	12,584	Mental Health Research Grants	303-1237	Duke Univ
93.242	I	N	29,745	Mental Health Research Grants	WFUHS 10075	Wake Forest Univ
93.243	D	N	3,005,402	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.243	I	N	1,028	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	18658050	Univ Central Florida
93.243	I	N	1,259	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	T1023447	Morehouse School Of Medicine
93.247	D	N	1,050,960	Advanced Nursing Education Grant Program		
93.250	D	N	76,486	Geriatric Academic Career Awards		
93.251	D	N	281,358	Universal Newborn Hearing Screening		
93.256	D	N	881,806	State Health Access Program		
93.262	D	N	121,515	Occupational Safety and Health Program		
93.262	I	N	2,027	Occupational Safety and Health Program	3048109702	Univ Kentucky Research Fdr
93.262	I	N	3,769	Occupational Safety and Health Program	3049024962-13-107	Univ of Kentucky Res. Fnd.
93.262	I	N	19,319	Occupational Safety and Health Program	3049025288	Univ Kentucky Research Fdr
93.262	I	N	5,361	Occupational Safety and Health Program	500836003	Univ Alabama Birmingham
93.265	D	N	198,877	Comprehensive Geriatric Education Program(CGEP)		
93.265	I	N	28,127	Comprehensive Geriatric Education Program(CGEP)	E2026821	George Mason Univ
93.268	D	N	117,549,345	Immunization Cooperative Agreements		
93.270	D	N	101,146	Adult Viral Hepatitis Prevention and Contro		
93.273	D	N	2,115,937	Alcohol Research Programs		
93.273	I	N	94,748	Alcohol Research Programs	#20130028.1	Prevention Strategies LLC
93.276	I	N	66,131	Drug-Free Communities Support Program Grants	130380001	Coastal Coalition
93.279	D	N	442,308	Drug Abuse and Addiction Research Programs		
93.279	I	N	105,569	Drug Abuse and Addiction Research Programs	#20110207	Prevention Strategies LLC
93.279	I	N	4,937	Drug Abuse and Addiction Research Programs	1-R43-DA035765-01	Luna Innovations, Inc
93.279	I	N	24,153	Drug Abuse and Addiction Research Programs	13091267-S	Cornell Univ
93.279	I	N	89,669	Drug Abuse and Addiction Research Programs	360782-04760-02	Temple Univ
93.279	I	N	2,091	Drug Abuse and Addiction Research Programs	541750P03683	Northeastern Univ
93.279	I	N	10,861	Drug Abuse and Addiction Research Programs	ECIG Adolescent	Amer Acad Child & Adolescent Psychology
93.283	D	N	4,115,502	Centers for Disease Control and Prevention-Investigations and Technical Assistance		
93.283	I	N	4,743	Centers for Disease Control and Prevention-Investigations and Technical Assistance	3835418	Duke Univ

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.283	I	N	35,297	Centers for Disease Control and Prevention-Investigations and Technical Assistance	UA13067	Univ Alabama Birmingham
93.286	D	N	10,000	Discovery and Applied Research for Technological Innovations to Improve Human Health		
93.296	D	N	-14,427	State Partnership Grant Program to Improve Minority Health		
93.301	D	N	222,053	Small Rural Hospital Improvement Grant Program		
93.307	D	N	1,622,161	Minority Health and Health Disparities Research		
93.307	I	N	84,537	Minority Health and Health Disparities Research	DOE 9/11/13	Carolinas Medical Center
93.307	I	N	8,356	Minority Health and Health Disparities Research	RN0078-2013-001	Univ of North Texas
93.324	D	N	161,474	State Health Insurance Assistance Program		
93.351	D	N	828,283	Research Infrastructure Programs		
93.351	I	N	9,931	Research Infrastructure Programs	A130174001	Rivers and Associates
93.358	D	N	1,322,856	Advanced Education Nursing Traineeships		
93.359	I	N	45,352	Nurse Education, Practice Quality and Retention Grants	1518988	Univ of Illinois
93.360	D	N	590,218	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development		
93.361	D	N	178,220	Nursing Research		
93.389	D	N	230,123	National Center for Research Resources		
93.389	I	N	2,140	National Center for Research Resources	HL096789	Med Univ So Carolina
93.393	D	N	283,409	Cancer Cause and Prevention Research		
93.393	I	N	18,199	Cancer Cause and Prevention Research	WFUHS 558377	Wake Forest Univ HS
93.394	I	N	7,004	Cancer Detection and Diagnosis Research	223808	Mass General Hospital
93.394	I	N	15,479	Cancer Detection and Diagnosis Research	261601-83-61	Univ of Texas-Arlington
93.394	I	N	14,869	Cancer Detection and Diagnosis Research	A130188003	Univ Washington
93.394	I	N	3,128	Cancer Detection and Diagnosis Research	RF012984056003143E	Univ Washington
93.395	D	N	461,713	Cancer Treatment Research		
93.395	I	N	33,531	Cancer Treatment Research	#60014860	Ohio State Univ
93.395	I	N	1,806	Cancer Treatment Research	20090022	Ambulatory Pediatric Assoc
93.395	I	N	2,112	Cancer Treatment Research	40601	Univ Chicago
93.395	I	N	4,515	Cancer Treatment Research	CALGB11002	Brigham & Womens Physicians
93.395	I	N	95,460	Cancer Treatment Research	ECACA171983	Pennsylvania State Univ
93.395	I	N	3,280	Cancer Treatment Research	U10CA021661	Amer Coll Radiology
93.396	D	N	277,378	Cancer Biology Research		
93.397	D	N	1,264,181	Cancer Centers Support Grants		
93.398	D	N	15,860	Cancer Research Manpower		
93.399	I	N	82,472	Cancer Control	215250A	Univ of Oregon
93.399	I	N	375	Cancer Control	70604	Cancer & Leukemia B
93.449	D	N	219,325	Ruminant Feed Ban Support Project		
93.500	D	N	1,014,058	Pregnancy Assistance Fund Program		
93.505	D	N	3,082,069	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program		
93.506	D	N	155,656	ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers		
93.507	D	N	1,036,422	PPHF 2012 National Public Health Improvement Initiative		
93.511	D	N	797,383	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review		
93.512	D	N	537,570	Affordable Care Act (ACA) Personal and Home Care Aide State Training Program (PHCAST)		
93.517	D	N	18,185	Affordable Care Act-Aging and Disability Resource Center		
93.519	D	N	545,573	Affordable Care Act (ACA)-Consumer Assistance Program Grants		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.520	D	N	167,002	Centers for Disease Control and Prevention Affordable Care Act (ACA)- Communities Putting Prevention to Work		
93.521	D	N	862,775	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF		
93.525	D	N	28,324	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges		
93.531	D	N	8,541,544	PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds		
93.531	I	N	4,064	PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds	2013-2900	Person County Health Dept
93.539	D	N	345,840	PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds		
93.544	D	N	517,468	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease prevention and Health Promotion Program		
93.548	D	N	292,936	PPHF2013: State Nutrition, Physical Activity, and Obesity Programs - financed in part by 2013 PPHF		
93.556	D	N	10,488,286	Promoting Safe and Stable Families		
93.560	D	N	-63,936	Family Support Payments to States-Assistance Payments		
93.563	D	N	97,395,418	Child Support Enforcement		
93.564	D	N	8,317	Child Support Enforcement Research		
93.566	D	N	5,668,534	Refugee and Entrant Assistance-State Administered Programs		
93.568	D	N	94,545,221	Low-Income Home Energy Assistance		
93.569	D	N	15,369,525	Community Services Block Grant		
93.576	D	N	1,127,961	Refugee and Entrant Assistance-Discretionary Grants		
93.584	D	N	544,014	Refugee and Entrant Assistance-Targeted Assistance Grants		
93.586	D	N	694,927	State Court Improvement Program		
93.590	D	N	872,413	Community-Based Child Abuse Prevention Grants		
93.597	D	N	239,219	Grants to States for Access and Visitation Programs		
93.599	D	N	1,015,289	Chafee Education and Training Vouchers Program (ETV)		
93.600	D	N	207,750	Head Start		
93.603	D	N	644,845	Adoption Incentive Payments		
93.617	D	N	211,966	Voting Access for Individuals with Disabilities-Grants to States		
93.630	D	N	1,883,878	Developmental Disabilities Basic Support and Advocacy Grant		
93.630	I	N	116,423	Developmental Disabilities Basic Support and Advocacy Grant	29873	USDHHS
93.643	D	N	318,239	Children's Justice Grants to States		
93.645	D	N	11,864,951	Stephanie Tubbs Jones Child Welfare Services Program		
93.647	I	N	46,934	Social Services Research and Demonstrator	90PH0025	Child Trends
93.648	I	N	14,377	Child Welfare Research Training or Demonstrator	E00038591-2	Univ of Missouri-Columbia
93.652	D	N	691,930	Adoption Opportunities		
93.658	D	N	65,228,024	Foster Care-Title IV-E		
93.658	D	Y	-8,448	ARRA - Foster Care-Title IV-E		
93.659	D	N	50,632,330	Adoption Assistance		
93.659	D	Y	-9,042	ARRA - Adoption Assistance		
93.667	D	N	56,806,824	Social Services Block Grant		
93.669	D	N	840,173	Child Abuse and Neglect State Grants		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.671	D	N	2,387,163	Family Violence Prevention and Services/Battered Women's Shelters-Grants to States and Indian Tribes		
93.674	D	N	3,058,821	Chafee Foster Care Independence Program		
93.701	D	N	82,666	Trans-NIH Recovery Act Research Support		
93.701	D	Y	188,832	ARRA - Trans-NIH Recovery Act Research Support		
93.708	D	Y	1,214,255	ARRA - Head Start		
93.708	I	Y	32,188	ARRA - Head Start	FD 208920	NC Early Childhood Advisory Council
93.721	D	Y	665,506	ARRA - Health Information Technology Professionals in Health Care		
93.735	D	N	819,727	State Public Health Approaches for Ensuring QUILTINE Capacity-Funded in part by 2012 Prevention and Public Health Funds (PPHF-2012)		
93.744	D	N	73,906	PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories solely financed by 2012 Prevention and Public Health Funds		
93.745	D	N	94,939	PPHF-2012: Health Care Surveillance/Health Statistics-Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by 2012 Prevention and Public Health Funds (PPHF-2012)		
93.750	I	N	27,764	PPHF 2013 - Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges	TFED41S2194	Community Care of NC
93.767	D	N	314,273,204	Children's Health Insurance Program		
93.773	D	N	7,551,759	Medicare-Hospital Insurance		
93.779	D	N	1,431,155	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		
93.780	D	N	196,426	Grants to States for Operation of Qualified High-Risk Pools		
93.791	D	N	2,286,492	Money Follows the Person Rebalancing Demonstration		
93.837	D	N	572,213	Cardiovascular Diseases Research		
93.837	I	N	824	Cardiovascular Diseases Research	7U01HL088942	Mt Sinai Schl Med
93.837	I	N	9,995	Cardiovascular Diseases Research	CALGB7035106031040310404	Duke Univ
93.837	I	N	7,224	Cardiovascular Diseases Research	M12A11364A08651	Yale Univ
93.837	I	N	121	Cardiovascular Diseases Research	U01HL382703832361	Duke Univ
93.837	I	N	1,690	Cardiovascular Diseases Research	VUMC399334	Vanderbilt Univ
93.837	I	N	68,159	Cardiovascular Diseases Research	VUMC42078	Vanderbilt Univ
93.839	I	N	110,856	Blood Diseases and Resources Research	5R01HL095647	Cincinnati Child Hosp
93.846	D	N	955,474	Arthritis, Musculoskeletal and Skin Diseases Research		
93.846	I	N	32,129	Arthritis, Musculoskeletal and Skin Diseases Research	#2039384	Duke Univ
93.846	I	N	10,938	Arthritis, Musculoskeletal and Skin Diseases Research	12002	Wake Forest Univ
93.846	I	N	6,739	Arthritis, Musculoskeletal and Skin Diseases Research	3048108355-12-317	Univ of Kentucky Rsch Fdn
93.846	I	N	4,603	Arthritis, Musculoskeletal and Skin Diseases Research	3538027	Duke Univ
93.846	I	N	17,872	Arthritis, Musculoskeletal and Skin Diseases Research	7R03AR061561	Ithaca College
93.847	D	N	1,717,855	Diabetes, Digestive, and Kidney Diseases Extramural Research		
93.847	I	N	8,584	Diabetes, Digestive, and Kidney Diseases Extramural Research	1RF3DK091143	Cara Cairns Design
93.847	I	N	31,710	Diabetes, Digestive, and Kidney Diseases Extramural Research	2820	Boston Med Center
93.847	I	N	10,849	Diabetes, Digestive, and Kidney Diseases Extramural Research	3301822U01DK066174	Childs Hospital Philadelphia
93.847	I	N	34,637	Diabetes, Digestive, and Kidney Diseases Extramural Research	3000019113O108371001	Childrens Research Inst
93.853	D	N	1,562,094	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.853	I	N	81,153	Extramural Research Programs in the Neurosciences and Neurological Disorders	22820314303	Boston Med Center
93.853	I	N	4,000	Extramural Research Programs in the Neurosciences and Neurological Disorders	MTTRRS084138	Scripps Research
93.853	I	N	11,998	Extramural Research Programs in the Neurosciences and Neurological Disorders	Project #11118	Georgia Southern Univ
93.855	D	N	666,974	Allergy, Immunology and Transplantation Research		
93.855	I	N	10,952	Allergy, Immunology and Transplantation Research	302-0446	Duke Univ
93.855	I	N	26,567	Allergy, Immunology and Transplantation Research	5159701	Albany Medical Col
93.855	I	N	111,754	Allergy, Immunology and Transplantation Research	7439A	Univ Texas Houston
93.855	I	N	89,425	Allergy, Immunology and Transplantation Research	769699	Fred Hutchinson Cancer Center
93.855	I	N	103,476	Allergy, Immunology and Transplantation Research	A140042	Tunitas Therapeutics

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
93.855	I	N	53,077	Allergy, Immunology and Transplantation Research	NIH 2R44A1092914-03	Tunitas Therapeutics, Inc
93.855	I	N	78,183	Allergy, Immunology and Transplantation Research	RA1092914B	Tunitas Therapeutics
93.855	I	N	52,389	Allergy, Immunology and Transplantation Research	SPS199679	Duke Univ
93.859	D	N	3,405,226	Biomedical Research and Research Training		
93.859	I	N	2,877	Biomedical Research and Research Training	101983578	Baylor Univ Coll Med
93.859	I	N	118,656	Biomedical Research and Research Training	122098 G003250	Washington State Univ
93.859	I	N	5,491	Biomedical Research and Research Training	16582009178	Clemson Univ
93.859	I	N	544	Biomedical Research and Research Training	900613	Univ Pittsburgh
93.859	I	N	13,900	Biomedical Research and Research Training	T36GM095335	Carnegie Mellon Univ
93.859	I	Y	4,599	ARRA - Biomedical Research and Research Training	1217685	Univ Pittsburgh
93.865	D	N	1,134,684	Child Health and Human Development Extramural Research		
93.865	I	N	36,371	Child Health and Human Development Extramural Research	23120212356	Research Triangle Inst
93.865	I	N	227,778	Child Health and Human Development Extramural Research	431500-19728	Virginia Polytechnic Inst
93.865	I	N	310,335	Child Health and Human Development Extramural Research	AA-5-44452-01	Oklahoma State Univ
93.865	I	N	84,742	Child Health and Human Development Extramural Research	K12-HD043446-11	Duke Univ
93.865	I	N	5,079	Child Health and Human Development Extramural Research	MUSC13-088	Medical Univ of South Carolina
93.865	I	N	60,624	Child Health and Human Development Extramural Research	RTI MASTER 888-11-16	Research Triangle Institute Internationa
93.865	I	N	11,986	Child Health and Human Development Extramural Research	UTA11-000808	Univ of Texas
93.866	D	N	244,602	Aging Research		
93.866	I	N	29,540	Aging Research	2011-23	Davidson College
93.866	I	N	3,079	Aging Research	30209/30215	Wake Forest Univ
93.866	I	N	480,923	Aging Research	ASPREE	Wake Forest Univ
93.884	D	N	580,709	Grants for Primary Care Training and Enhancemen		
93.884	I	N	20,025	Grants for Primary Care Training and Enhancemen	WFUHS 116164	Wake Forest Univ
93.889	D	N	15,806	National Bioterrorism Hospital Preparedness Program		
93.913	D	N	161,693	Grants to States for Operation of Offices of Rural Health		
93.917	D	N	38,906,911	HIV Care Formula Grants		
93.918	D	N	546,071	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		
93.919	D	N	3,030,482	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs		
93.926	D	N	2,428,449	Healthy Start Initiative		
93.928	D	N	801,181	Special Projects of National Significance		
93.938	D	N	210,418	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems		
93.940	D	N	7,273,285	HIV Prevention Activities-Health Department Basec		
93.941	D	N	263,011	HIV Demonstration, Research, Public and Professional Education Projects		
93.944	D	N	1,255,056	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		
93.945	D	N	532,077	Assistance Programs for Chronic Disease Prevention and Contro		
93.958	I	N	11,983,962	Block Grants for Community Mental Health Services		
93.958	I	N	2,727	Block Grants for Community Mental Health Services	A140054	Pitt Co Coalition Substance
93.959	D	N	30,008,442	Block Grants for Prevention and Treatment of Substance Abuse		
93.959	I	N	23,523	Block Grants for Prevention and Treatment of Substance Abuse	332434	Wake Forest Univ
93.964	D	N	13,817	Prevention and Public Health Fund (PPHF) Public Health Traineeship		
93.977	D	N	2,284,008	Preventive Health Services-Sexually Transmitted Diseases Control Grant		
93.991	D	N	1,643,404	Preventive Health and Health Services Block Grant		
93.994	D	N	17,374,299	Maternal and Child Health Services Block Grant to the State		
			<u>1,094,142,905</u>	Total — Other Programs — U. S. Department of Health & Human Services		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Corporation for National and Community Service</u>						
94.002	D	N	146,715	Retired and Senior Volunteer Program		
94.003	D	N	312,402	State Commissions		
94.005	D	N	284	Learn and Serve America-Higher Education		
94.006	D	N	3,389,851	AmeriCorps		
94.009	D	N	6,767	Training and Technical Assistance		
			<u>3,856,019</u>	Total — Other Programs — Corporation for National and Community Service		
<u>Social Security Administration</u>						
96.008	D	N	56,060	Social Security-Work Incentives Planning and Assistance Program		
			<u>56,060</u>	Total — Other Programs — Social Security Administrator		
<u>U. S. Department of Homeland Security</u>						
97.001	D	N	287,621	Pilot Demonstration or Earmarked Projects		
97.005	I	N	154,756	State and Local Homeland Security National Training Program	452284-12-256	Eastern Kentucky Univ
97.008	D	N	65,813	Non-Profit Security Program		
97.012	D	N	2,742,012	Boating Safety Financial Assistance		
97.012	I	N	18,699	Boating Safety Financial Assistance	20111102.26	Wake Forest Univ
97.017	D	N	2,435,057	Pre-Disaster Mitigation (PDM) Competitive Grants		
97.018	D	N	10,935	National Fire Academy Training Assistance		
97.023	D	N	413,812	Community Assistance Program State Support Services Element (CAP-SSSE)		
97.036	D	N	11,832,923	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		
97.039	D	N	3,043,354	Hazard Mitigation Grant		
97.041	D	N	228,097	National Dam Safety Program		
97.042	D	N	8,706,524	Emergency Management Performance Grants		
97.044	D	N	280,034	Assistance to Firefighters Grant		
97.045	D	N	6,758,200	Cooperating Technical Partners		
97.047	D	N	658,557	Pre-Disaster Mitigation		
97.052	D	N	1,115,022	Emergency Operations Center		
97.056	D	N	3,124,026	Port Security Grant Program		
97.061	I	N	200,438	Centers for Homeland Security	4112-51775	Purdue Univ
97.061	I	N	48,140	Centers for Homeland Security	B586747	Lawrence Livermore NL
97.067	D	N	17,673,316	Homeland Security Grant Program		
97.078	D	N	580	Buffer Zone Protection Program (BZPP)		
97.082	D	N	38,474	Earthquake Consortium		
97.089	D	N	386,514	Driver's License Security Grant Program		
97.092	D	N	124,727	Repetitive Flood Claims		
97.104	D	N	31,068	Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program		
97.110	D	N	6,738	Severe Repetitive Loss Program		
			<u>60,385,437</u>	Total — Other Programs — U. S. Department of Homeland Security		
<u>United States Agency for International Development</u>						
98	I	N	40,903	United States Agency for International Development	RC100599	Michigan State Univ
98	I	N	10,895	United States Agency for International Development	RC102095 & RC102544	NCSU Michigan State Univ
98.012	I	N	10,066	USAID Development Partnerships for University Cooperation and Development	12-716	Arizona State Univ
			<u>61,864</u>	Total — Other Programs — United States Agency for International Development		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (DETAIL)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Expenditures	CFDA Program Title	Pass-Through Number	Pass-Through Entity Name
Other Federal Assistance						
99	D	N	78,844	Other Federal Assistance		
99	I	N	140,986	Other Federal Assistance	1545	Corporation for Public Broadcast
			<u>219,830</u>	Total — Other Programs — Other Federal Assistance		
			<u>3,495,671,080</u>	Total — Other Programs		
			<u>\$20,960,319,028</u>	TOTAL EXPENDITURES OF FEDERAL AWARDS		

N/A = Not Available

D = Direct Federal Assistance – Assistance received directly from the federal government or received in a pass-through relationship from other State entities.

I = Indirect Federal Assistance – Assistance received in a pass-through relationship from entities other than the federal government or other State entities

The accompanying notes are an integral part of this schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<i>Primary Government</i>						
<u>N. C. Administrative Office of the Courts</u>						
16.013	D	N	73,369	Violence Against Women Act Court Training and Improvement Grants		
16.560	D	N	320,614	National Institute of Justice Research, Evaluation, and Development Project Grants		
16.585	D	N	98,194	Drug Court Discretionary Grant Program		
16.585	I	N	63,125	Drug Court Discretionary Grant Program	2010-DC-BX-0086	Wake County Finance
16.590	I	N	125,770	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	2008-WE-AX-0014	Haywood County
16.590	I	N	94,760	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	2011-WE-AX-0038	City of Durham
16.726	I	N	800	Juvenile Mentoring Program	NC10825-13-0614-E1	National CASA Assoc
16.726	I	N	3,300	Juvenile Mentoring Program	NC10825-13-0614-F1	National CASA Assoc
16.726	I	N	17,500	Juvenile Mentoring Program	NC10922-13-0613-S1	National CASA Assoc
16.726	I	N	3,300	Juvenile Mentoring Program	NC10922-13-0614-L1	National CASA Assoc
16.738	I	N	47,124	Edward Byrne Memorial Justice Assistance Grant Program	2010-DJ-BX-0281	City of Durham
16.746	D	N	17,244	Capital Case Litigation		
16.756	I	N	12,400	Court Appointed Special Advocates	NC10922-13-1013-S	National CASA Assoc
93.586	D	N	694,927	State Court Improvement Program		
			<u>1,572,427</u>	Total — N. C. Administrative Office of the Courts		
<u>N. C. Department of Administration</u>						
14.401	D	N	122,637	Fair Housing Assistance Program-State and Local		
14.871	D	N	4,066,597	Section 8 Housing Choice Vouchers		
17.265	D	N	279,903	Native American Employment and Training		
39.003	D	N	15,317,910	Donation of Federal Surplus Personal Property		
64.005	D	N	320,123	Grants to States for Construction of State Home Facilities		
64.005	D	Y	310,480	ARRA - Grants to States for Construction of State Home Facilities		
84.044	D	N	304,968	TRIO-Talent Search		
			<u>20,722,618</u>	Total — N. C. Department of Administration		
<u>N. C. Department of Agriculture and Consumer Services</u>						
10	D	N	653,339	U. S. Department of Agriculture		
10.025	D	N	2,193,565	Plant and Animal Disease, Pest Control, and Animal Care		
10.153	D	N	5,000	Market News		
10.156	D	N	12,566	Federal-State Marketing Improvement Program		
10.163	D	N	92,892	Market Protection and Promotion		
10.170	D	N	1,027,127	Specialty Crop Block Grant Program - Farm Bill		
10.203	D	N	154,556	Payments to Agricultural Experiment Stations Under the Hatch Act		
10.250	D	N	126,894	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations		
10.304	D	N	47,835	Homeland Security-Agricultural		
10.475	D	N	3,793,878	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection		
10.479	D	N	220,686	Food Safety Cooperative Agreements		
10.555	D	N	43,700,332	National School Lunch Program		
10.559	D	N	47,564	Summer Food Service Program for Children		
10.560	D	N	1,360,832	State Administrative Expenses for Child Nutrition		
10.565	D	N	408,271	Commodity Supplemental Food Program		
10.567	D	N	825,553	Food Distribution Program on Indian Reservations		
10.568	D	N	1,503,773	Emergency Food Assistance Program (Administrative Costs)		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
10.569	D	N	17,512,500	Emergency Food Assistance Program (Food Commodities)		
10.652	D	N	378,357	Forestry Research		
10.664	D	N	3,563,655	Cooperative Forestry Assistance		
10.676	D	N	2,940,628	Forest Legacy Program		
10.678	D	N	173,515	Forest Stewardship Program		
10.680	D	N	669,090	Forest Health Protection		
10.902	D	N	544,535	Soil and Water Conservation		
10.912	D	N	63,091	Environmental Quality Incentives Program		
12	D	N	1,743,907	U. S. Department of Defense		
15.615	D	N	88,808	Cooperative Endangered Species Conservation Fund		
66	D	N	27,644	U. S. Environmental Protection Agency		
66.605	D	N	779,917	Performance Partnership Grants		
93	D	N	564,014	U. S. Department of Health and Human Services		
93.103	D	N	1,155,366	Food and Drug Administration-Research		
93.449	D	N	219,325	Ruminant Feed Ban Support Project		
			<u>86,599,015</u>	Total — N. C. Department of Agriculture and Consumer Services		
<u>N. C. Department of Commerce</u>						
11.557	D	Y	1,595,920	ARRA - Broadband Technology Opportunities Program (BTOP)		
14.228	D	N	42,592,671	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		
14.255	D	Y	-14,710	ARRA - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii – (Recovery Act Funded)		
17.002	D	N	1,795,590	Labor Force Statistics		
17.207	D	N	31,408,479	Employment Service/Wagner-Peyser Funded Activities		
17.225	D	N	768,142,016	Unemployment Insurance		
17.225	D	Y	2,039,302	ARRA - Unemployment Insurance		
17.245	D	N	10,531,755	Trade Adjustment Assistance		
17.258	D	N	23,007,708	WIA Adult Program		
17.259	D	N	23,996,216	WIA Youth Activities		
17.261	D	N	39,675	WIA Pilots, Demonstrations, and Research Projects		
17.268	D	N	71,735	H-1B Job Training Grants		
17.271	D	N	453,966	Work Opportunity Tax Credit Program (WOTC)		
17.273	D	N	82,796	Temporary Labor Certification for Foreign Workers		
17.275	D	Y	65,811	ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors		
17.278	D	N	37,228,136	WIA Dislocated Worker Formula Grants		
17.280	D	N	147,362	Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants		
17.281	D	N	1,747,841	Workforce Investment Act (WIA) Dislocated Worker National Reserve Technical Assistance and Training		
17.801	D	N	2,165,171	Disabled Veterans' Outreach Program (DVOP)		
17.804	D	N	3,413,626	Local Veterans' Employment Representative Program		
20.700	D	N	330,721	Pipeline Safety Program State Base Grant		
20.721	D	N	15,000	PHMSA Pipeline Safety Program One Call Grant		
23.011	D	N	519,358	Appalachian Research, Technical Assistance, and Demonstration Projects		
59.061	D	N	446,017	State Trade and Export Promotion Pilot Grant Program		
81.041	D	Y	66,943	ARRA - State Energy Program		
81.122	D	Y	71,358	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis		
			<u>951,960,463</u>	Total — N. C. Department of Commerce		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<u>N. C. Community College System</u>						
84.002	D	N	17,857,785	Adult Education - Basic Grants to States		
			<u>17,857,785</u>	Total — N. C. Community College System		
<u>N. C. Department of Cultural Resources</u>						
15.904	D	N	822,995	Historic Preservation Fund Grants-In-Aid		
15.926	D	N	12,696	American Battlefield Protection		
45.025	D	N	786,681	Promotion of the Arts-Partnership Agreements		
45.309	D	N	59,507	Museum Grants for African American History and Culture		
45.310	D	N	3,826,850	Grants to States		
45.312	D	N	74,898	National Leadership Grants		
89.003	D	N	2,314	National Historical Publications and Records Grants		
			<u>5,585,941</u>	Total — N. C. Department of Cultural Resources		
<u>N. C. Department of Environment and Natural Resources</u>						
11	I	N	56,967	U. S. Department of Commerce	SA-13-03-NC	South Atlantic Fishery Management Council
11.407	D	N	35,501	Interjurisdictional Fisheries Act of 1986		
11.419	D	N	2,469,573	Coastal Zone Management Administration Awards		
11.420	D	N	665,158	Coastal Zone Management Estuarine Research Reserves		
11.434	D	N	136,465	Cooperative Fishery Statistics		
11.435	D	N	104,075	Southeast Area Monitoring and Assessment Program		
11.439	D	N	101,726	Marine Mammal Data Program		
11.474	D	N	358,133	Atlantic Coastal Fisheries Cooperative Management Act		
15.605	D	N	1,929,950	Sport Fish Restoration Program		
15.622	D	N	272,904	Sportfishing and Boating Safety Act		
15.630	D	N	16,306	Coastal Program		
15.657	D	N	23,893	Endangered Species Conservation-Recovery Implementation Funds		
15.660	D	N	1,154	Endangered Species - Candidate Conservation Action Funds		
15.808	D	N	141,554	U. S. Geological Survey-Research and Data Collection		
15.916	D	N	26,850	Outdoor Recreation-Acquisition, Development and Planning		
66.001	D	N	2,056,117	Air Pollution Control Program Support		
66.034	D	N	83,934	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		
66.040	D	N	241,587	State Clean Diesel Grant Program		
66.202	D	N	574,315	Congressionally Mandated Projects		
66.419	D	N	7,274,817	Water Pollution Control State, Interstate, and Tribal Program Support		
66.432	D	N	3,868,753	State Public Water System Supervision		
66.433	D	N	79,366	State Underground Water Source Protection		
66.454	D	N	276,462	Water Quality Management Planning		
66.456	D	N	662,843	National Estuary Program		
66.458	D	N	105,671,325	Capitalization Grants for Clean Water State Revolving Funds		
66.460	D	N	3,825,709	Nonpoint Source Implementation Grants		
66.461	D	N	700,209	Regional Wetland Program Development Grants		
66.468	D	N	47,469,758	Capitalization Grants for Drinking Water State Revolving Funds		
66.468	D	Y	665,233	ARRA - Capitalization Grants for Drinking Water State Revolving Funds		
66.472	D	N	291,908	Beach Monitoring and Notification Program Implementation Grants		
66.474	D	N	9,289	Water Protection Grants to the States		
66.608	D	N	1,177	Environmental Information Exchange Network Grant Program and Related Assistance		
66.708	D	N	77,854	Pollution Prevention Grants Program		
66.801	D	N	2,213,320	Hazardous Waste Management State Program Support		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
66.802	D	N	1,464,871	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		
66.804	D	N	796,630	Underground Storage Tank Prevention, Detection and Compliance Program		
66.805	D	N	1,982,926	Leaking Underground Storage Tank Trust Fund Corrective Action Program		
66.809	D	N	215,972	Superfund State and Indian Tribe Core Program Cooperative Agreements		
81.041	D	N	971,496	State Energy Program		
81.042	D	N	1,059,835	Weatherization Assistance for Low-Income Persons		
81.042	D	Y	3,619,725	ARRA - Weatherization Assistance for Low-Income Persons		
81.119	D	N	82,353	State Energy Program Special Projects		
81.122	D	Y	129,688	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis		
97.041	D	N	228,097	National Dam Safety Program		
			<u>192,935,778</u>	Total — N. C. Department of Environment and Natural Resources		

N. C. Department of Environment and Natural Resources - Wildlife

10	D	N	12,727	U. S. Department of Agriculture		
11.472	D	N	39,997	Unallied Science Program		
15.605	D	N	8,040,690	Sport Fish Restoration Program		
15.611	D	N	11,548,662	Wildlife Restoration and Basic Hunter Education		
15.615	D	N	159,662	Cooperative Endangered Species Conservation Fund		
15.616	D	N	26,480	Clean Vessel Act Program		
15.626	D	N	277,186	Enhanced Hunter Education and Safety Program		
15.634	D	N	1,148,700	State Wildlife Grants		
15.657	D	N	51,924	Endangered Species Conservation-Recovery Implementation Funds		
97.012	D	N	2,742,012	Boating Safety Financial Assistance		
			<u>24,048,040</u>	Total — N. C. Department of Environment and Natural Resources - Wildlife		

N. C. Department of Health and Human Services

10.551	D	N	2,409,132,037	Supplemental Nutrition Assistance Program		
10.557	D	N	197,686,453	Special Supplemental Nutrition Program for Women, Infants, and Children		
10.558	D	N	88,911,516	Child and Adult Care Food Program		
10.559	D	N	9,510,419	Summer Food Service Program for Children		
10.560	D	N	2,515,723	State Administrative Expenses for Child Nutrition		
10.561	D	N	97,402,127	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		
10.572	D	N	126,844	WIC Farmers' Market Nutrition Program (FMNP)		
10.576	D	N	67,973	Senior Farmers Market Nutrition Program		
10.578	D	N	2,398,483	WIC Grants To States (WGS)		
10.578	D	Y	8,410,606	ARRA - WIC Grants To States (WGS)		
10.579	D	N	70,540	Child Nutrition Discretionary Grants Limited Availability		
14.231	D	N	4,071,604	Emergency Solutions Grant Program		
14.241	D	N	2,260,585	Housing Opportunities for Persons with AIDS		
14.900	D	N	349,688	Lead-Based Paint Hazard Control in Privately-Owned Housing		
16.580	D	N	51,960	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		
16.727	D	N	28,865	Enforcing Underage Drinking Laws Program		
16.754	D	N	29,436	Harold Rogers Prescription Drug Monitoring Program		
17.235	D	N	2,184,293	Senior Community Service Employment Program		
66.032	D	N	211,569	State Indoor Radon Grants		
66.608	D	N	4,804	Environmental Information Exchange Network Grant Program and Related Assistance		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
66.701	D	N	80,773	Toxic Substances Compliance Monitoring Cooperative Agreements		
66.707	D	N	264,013	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals		
66.716	D	N	65,868	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies		
84.126	D	N	101,240,620	Rehabilitation Services-Vocational Rehabilitation Grants to States		
84.161	D	N	318,609	Rehabilitation Services-Client Assistance Program		
84.169	D	N	465,867	Independent Living-State Grants		
84.177	D	N	694,918	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind		
84.181	D	N	11,674,590	Special Education-Grants for Infants and Families		
84.187	D	N	1,123,341	Supported Employment Services for Individuals with the Most Significant Disabilities		
84.224	D	N	536,312	Assistive Technology		
84.265	D	N	138,607	Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training		
84.412	D	N	13,434,532	Race to the Top-Early Learning Challenge		
93.041	D	N	124,643	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation		
93.042	D	N	468,200	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals		
93.043	D	N	515,494	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services		
93.044	D	N	12,808,483	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers		
93.045	D	N	16,048,462	Special Programs for the Aging-Title III, Part C-Nutrition Services		
93.048	D	N	116,640	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects		
93.051	D	N	148,095	Alzheimer's Disease Demonstration Grants to States		
93.052	D	N	4,625,120	National Family Caregiver Support, Title III, Part E		
93.053	D	N	3,256,481	Nutrition Services Incentive Program		
93.069	D	N	371,690	Public Health Emergency Preparedness		
93.070	D	N	483,578	Environmental Public Health and Emergency Response		
93.072	D	N	163,596	Lifespan Respite Care Program		
93.074	D	N	22,946,320	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements		
93.087	D	N	485,734	Enhance Safety of Children Affected by Substance Abuse		
93.089	D	N	63,786	Emergency System for Advance Registration of Volunteer Health Professionals		
93.092	D	N	1,485,515	Affordable Care Act (ACA) Personal Responsibility Education Program		
93.094	D	N	625,480	Well-Integrated Screening and Evaluation for Women Across the Nation		
93.103	D	N	1,568	Food and Drug Administration-Research		
93.104	D	N	95,237	Comprehensive Community Mental Health Services for Children with Serious Emotiona Disturbances (SED)		
93.110	D	N	144,779	Maternal and Child Health Federal Consolidated Programs		
93.116	D	N	2,110,500	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		
93.127	D	N	154,310	Emergency Medical Services for Children Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices		
93.130	D	N	323,526			
93.136	D	N	987,729	Injury Prevention and Control Research and State and Community Based Programs		
93.145	D	N	38,427	AIDS Education and Training Centers		
93.150	D	N	848,709	Projects for Assistance in Transition from Homelessness (PATH)		
93.204	D	N	22,457	Surveillance of Hazardous Substance Emergency Events		
93.217	D	N	5,550,174	Family Planning-Services		
93.224	D	N	2,063,562	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)		
93.234	D	N	249,533	Traumatic Brain Injury State Demonstration Grant Program		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.236	D	N	2,336	Grants to States to Support Oral Health Workforce Activities		
93.240	D	N	221,913	State Capacity Building		
93.241	D	N	502,194	State Rural Hospital Flexibility Program		
93.243	D	N	2,600,631	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.251	D	N	281,358	Universal Newborn Hearing Screening		
93.256	D	N	881,806	State Health Access Program		
93.262	D	N	121,515	Occupational Safety and Health Program		
93.268	D	N	117,549,345	Immunization Cooperative Agreements		
93.270	D	N	101,146	Adult Viral Hepatitis Prevention and Control		
93.283	D	N	4,089,342	Centers for Disease Control and Prevention-Investigations and Technical Assistance		
93.296	D	N	-14,427	State Partnership Grant Program to Improve Minority Health		
93.301	D	N	222,053	Small Rural Hospital Improvement Grant Program		
93.500	D	N	1,014,058	Pregnancy Assistance Fund Program		
93.505	D	N	3,082,069	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program		
93.506	D	N	155,656	ACA Nationwide Program for National and State Background Checks for Direct Patient Access		
93.507	D	N	1,036,422	PPHF 2012 National Public Health Improvement Initiative		
93.512	D	N	537,570	Affordable Care Act (ACA) Personal and Home Care Aide State Training Program (PHCAST)		
93.517	D	N	18,185	Affordable Care Act-Aging and Disability Resource Center		
93.520	D	N	167,002	Centers for Disease Control and Prevention Affordable Care Act (ACA)-Communities Putting Prevention to Work		
93.521	D	N	862,775	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements;PPHF		
93.531	D	N	8,541,544	PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Prevention and Public Health Funds		
93.539	D	N	345,840	PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds		
93.544	D	N	517,468	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease prevention and Health Promotion Program		
93.548	D	N	292,936	PPHF2013: State Nutrition, Physical Activity, and Obesity Programs - financed in part by 2013 PPHF		
93.556	D	N	10,488,286	Promoting Safe and Stable Families		
93.558	D	N	236,573,209	Temporary Assistance for Needy Families		
93.560	D	N	-63,936	Family Support Payments to States-Assistance Payments		
93.563	D	N	97,395,418	Child Support Enforcement		
93.564	D	N	8,317	Child Support Enforcement Research		
93.566	D	N	5,668,534	Refugee and Entrant Assistance-State Administered Programs		
93.568	D	N	94,545,221	Low-Income Home Energy Assistance		
93.569	D	N	15,369,525	Community Services Block Grant		
93.575	D	N	134,887,032	Child Care and Development Block Grant		
93.576	D	N	945,772	Refugee and Entrant Assistance-Discretionary Grants		
93.584	D	N	544,014	Refugee and Entrant Assistance-Targeted Assistance Grants		
93.590	D	N	872,413	Community-Based Child Abuse Prevention Grants		
93.596	D	N	125,245,818	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		
93.597	D	N	239,219	Grants to States for Access and Visitation Programs		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.599	D	N	1,015,289	Chafee Education and Training Vouchers Program (ETV)		
93.603	D	N	644,845	Adoption Incentive Payments		
93.630	D	N	1,883,878	Developmental Disabilities Basic Support and Advocacy Grants		
93.645	D	N	11,864,951	Stephanie Tubbs Jones Child Welfare Services Program		
93.652	D	N	691,930	Adoption Opportunities		
93.658	D	N	65,228,024	Foster Care-Title IV-E		
93.658	D	Y	-8,448	ARRA - Foster Care-Title IV-E		
93.659	D	N	50,632,330	Adoption Assistance		
93.659	D	Y	-9,042	ARRA - Adoption Assistance		
93.667	D	N	56,806,824	Social Services Block Grant		
93.669	D	N	840,173	Child Abuse and Neglect State Grants		
93.671	D	N	2,387,163	Family Violence Prevention and Services/Battered Women's Shelters-Grants to States and Indian Tribes		
93.674	D	N	3,058,821	Chafee Foster Care Independence Program		
93.708	D	Y	1,214,255	ARRA - Head Start		
93.735	D	N	819,727	State Public Health Approaches for Ensuring Qitline Capacity-Funded in part by 2012 Prevention and Public Health Funds (PPHF-2012)		
93.744	D	N	73,906	PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories solely financed by 2012 Prevention and Public Health Funds		
93.745	D	N	94,939	PPHF-2012: Health Care Surveillance/Health Statistics-Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by 2012 Prevention and Public Health Funds (PPHF-2012)		
93.767	D	N	314,273,204	Children's Health Insurance Program		
93.773	D	N	7,551,759	Medicare-Hospital Insurance		
93.777	D	N	5,704,178	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		
93.778	D	N	8,618,144,404	Medical Assistance Program		
93.779	D	N	85,861	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		
93.791	D	N	2,286,492	Money Follows the Person Rebalancing Demonstration		
93.889	D	N	15,806	National Bioterrorism Hospital Preparedness Program		
93.913	D	N	161,693	Grants to States for Operation of Offices of Rural Health		
93.917	D	N	38,906,911	HIV Care Formula Grants		
93.919	D	N	3,030,482	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs		
93.926	D	N	2,107,140	Healthy Start Initiative		
93.928	D	N	801,181	Special Projects of National Significance		
93.940	D	N	7,247,649	HIV Prevention Activities-Health Department Based		
93.944	D	N	1,255,056	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		
93.945	D	N	532,077	Assistance Programs for Chronic Disease Prevention and Control		
93.958	D	N	11,983,962	Block Grants for Community Mental Health Services		
93.959	D	N	30,008,442	Block Grants for Prevention and Treatment of Substance Abuse		
93.977	D	N	2,284,008	Preventive Health Services-Sexually Transmitted Diseases Control Grants		
93.991	D	N	1,643,404	Preventive Health and Health Services Block Grant		
93.994	D	N	17,374,299	Maternal and Child Health Services Block Grant to the States		
96.001	D	N	58,067,297	Social Security-Disability Insurance		
96.008	D	N	56,060	Social Security-Work Incentives Planning and Assistance Program		
99	D	N	78,844	Other Federal Assistance		
			<u>13,219,480,756</u>	Total — N. C. Department of Health and Human Services		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<u>N. C. Department of Insurance</u>						
14.171	D	N	48,225	Manufactured Home Dispute Resolution		
93.048	D	N	507,324	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects		
93.071	D	N	674,039	Medicare Enrollment Assistance Program		
93.324	D	N	161,474	State Health Insurance Assistance Program		
93.511	D	N	797,383	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review		
93.519	D	N	545,573	Affordable Care Act (ACA)-Consumer Assistance Program Grants		
93.525	D	N	28,324	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges		
93.779	D	N	1,295,256	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		
97.018	D	N	10,935	National Fire Academy Training Assistance		
97.044	D	N	280,034	Assistance to Firefighters Grant		
			<u>4,348,567</u>	Total — N. C. Department of Insurance		
<u>N. C. Department of Justice</u>						
16	D	N	342,925	U. S. Department of Justice		
16.543	D	N	456,507	Missing Children's Assistance		
16.710	D	N	34,908	Public Safety Partnership and Community Policing Grants		
16.741	D	N	1,137,351	DNA Backlog Reduction Program		
16.800	D	N	1,698	Recovery Act - Internet Crimes against Children Task Force Program (ICAC)		
93.775	D	N	4,008,191	State Medicaid Fraud Control Units		
			<u>5,981,580</u>	Total — N. C. Department of Justice		
<u>N. C. Department of Labor</u>						
17.005	D	N	144,802	Compensation and Working Conditions		
17.503	D	N	5,173,728	Occupational Safety and Health-State Program		
17.504	D	N	1,378,074	Consultation Agreements		
17.600	D	N	95,282	Mine Health and Safety Grants		
			<u>6,791,886</u>	Total — N. C. Department of Labor		
<u>N. C. Department of Public Instruction</u>						
10.553	D	N	114,345,876	School Breakfast Program		
10.555	D	N	345,075,454	National School Lunch Program		
10.556	D	N	165,581	Special Milk Program for Children		
10.560	D	N	4,705,495	State Administrative Expenses for Child Nutrition		
10.579	D	N	482,865	Child Nutrition Discretionary Grants Limited Availability		
10.582	D	N	3,785,880	Fresh Fruit and Vegetable Program		
12	D	N	136,048	U. S. Department of Defense		
84	D	N	118,043	U. S. Department of Education		
84.010	D	N	394,726,532	Title I Grants to Local Educational Agencies		
84.011	D	N	5,112,589	Migrant Education-State Grant Program		
84.013	D	N	925,852	Title I State Agency Program for Neglected and Delinquent Children and Youth		
84.027	D	N	335,884,215	Special Education-Grants to States		
84.048	D	N	32,709,050	Career and Technical Education -- Basic Grants to States		
84.144	D	N	60,257	Migrant Education-Coordination Program		
84.173	D	N	10,976,057	Special Education-Preschool Grants		
84.196	D	N	1,620,998	Education for Homeless Children and Youth		
84.287	D	N	25,717,007	Twenty-First Century Community Learning Centers		
84.318	D	N	900,384	Educational Technology State Grants		
84.323	D	N	1,498,465	Special Education - State Personnel Development		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.326	D	N	256,935	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		
84.330	D	N	899,273	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)		
84.358	D	N	6,017,715	Rural Education		
84.365	D	N	13,441,780	English Language Acquisition State Grants		
84.366	D	N	3,676,630	Mathematics and Science Partnerships		
84.367	D	N	53,342,988	Improving Teacher Quality State Grants		
84.368	D	N	138,808	Grants for Enhanced Assessment Instruments		
84.369	D	N	9,694,536	Grants for State Assessments and Related Activities		
84.372	D	N	699,900	Statewide Data Systems		
84.377	D	N	13,438,958	School Improvement Grants		
84.388	D	Y	19,145,906	ARRA - School Improvement Grants, Recovery Act		
93.079	D	N	160,825	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance		
93.235	D	N	1,689,341	Affordable Care Act (ACA) Abstinence Education Program		
93.600	D	N	176,591	Head Start		
93.938	D	N	210,418	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems		
			<u>1,401,937,252</u>	Total — N. C. Department of Public Instruction		
<u>N. C. Department of Public Safety</u>						
11.549	D	N	85,388	State and Local Implementation Grant Program		
12.400	D	N	2,193,729	Military Construction, National Guard		
12.401	D	N	21,712,473	National Guard Military Operations and Maintenance (O&M) Projects		
12.404	D	N	2,989,056	National Guard ChalleNge Program		
16.017	D	N	337,872	Sexual Assault Services Formula Program		
16.523	D	N	651,827	Juvenile Accountability Block Grants		
16.540	D	N	482,550	Juvenile Justice and Delinquency Prevention-Allocation to States		
16.548	D	N	72,870	Title V-Delinquency Prevention Program		
16.550	D	N	32,268	State Justice Statistics Program for Statistical Analysis Centers		
16.575	D	N	11,700,215	Crime Victim Assistance		
16.576	D	N	2,769,332	Crime Victim Compensation		
16.588	D	N	3,847,604	Violence Against Women Formula Grants		
16.593	D	N	463,511	Residential Substance Abuse Treatment for State Prisoners		
16.606	D	N	2,827,556	State Criminal Alien Assistance Program		
16.607	D	N	59,437	Bulletproof Vest Partnership Program		
16.609	D	N	27,046	Project Safe Neighborhoods		
16.735	D	N	122,627	Protecting Inmates and Safeguarding Communities Discretionary Grant Program		
16.738	D	N	5,025,355	Edward Byrne Memorial Justice Assistance Grant Program		
16.740	D	N	225,000	Statewide Automated Victim Information Notification (SAVIN) Program		
16.742	D	N	484,479	Paul Coverdell Forensic Sciences Improvement Grant Program		
16.751	I	N	185,398	Edward Byrne Memorial Competitive Grant Program	12-SA-161-1873	The Council of State Government
16.803	D	Y	214,080	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories		
16.816	D	N	26,965	John R. Justice Prosecutors and Defenders Incentive Act		
20.231	D	N	10,000	Performance and Registration Information Systems Management		
20.237	D	N	888	Commercial Vehicle Information Systems and Networks		
20.239	D	N	44,025	Motor Carrier Research and Technology Programs		
20.703	D	N	453,713	Interagency Hazardous Materials Public Sector Training and Planning Grants		
93.643	D	N	318,239	Children's Justice Grants to States		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
97.001	D	N	287,621	Pilot Demonstration or Earmarked Projects		
97.008	D	N	65,813	Non-Profit Security Program		
97.017	D	N	2,435,057	Pre-Disaster Mitigation (PDM) Competitive Grants		
97.023	D	N	413,812	Community Assistance Program State Support Services Element (CAP-SSSE)		
97.036	D	N	11,832,923	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		
97.039	D	N	3,043,354	Hazard Mitigation Grant		
97.042	D	N	8,706,524	Emergency Management Performance Grants		
97.045	D	N	6,758,200	Cooperating Technical Partners		
97.047	D	N	658,557	Pre-Disaster Mitigation		
97.052	D	N	1,115,022	Emergency Operations Center		
97.056	D	N	3,124,026	Port Security Grant Program		
97.067	D	N	17,653,316	Homeland Security Grant Program		
97.078	D	N	580	Buffer Zone Protection Program (BZPP)		
97.082	D	N	38,474	Earthquake Consortium		
97.092	D	N	124,727	Repetitive Flood Claims		
97.110	D	N	6,738	Severe Repetitive Loss Program		
			<u>113,628,247</u>	Total — N. C. Department of Public Safety		
<u>N.C. Secretary of State</u>						
16.580	D	N	31,642	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		
			<u>31,642</u>	Total — N.C. Secretary of State		
<u>N. C. Department of Transportation</u>						
20.106	D	N	22,087,866	Airport Improvement Program		
20.205	D	N	1,268,804,288	Highway Planning and Construction		
20.205	D	Y	4,552,898	ARRA - Highway Planning and Construction		
20.218	D	N	564,757	National Motor Carrier Safety		
20.219	D	N	878,247	Recreational Trails Program		
20.232	D	N	223,254	Commercial Driver's License Program Improvement Grant		
20.234	D	N	210,699	Safety Data Improvement Program		
20.235	D	N	57,109	Commercial Motor Vehicle Operator Training Grants		
20.237	D	N	448,374	Commercial Vehicle Information Systems and Networks		
20.313	D	N	-1	Railroad Research and Development		
20.314	D	N	355,918	Railroad Development		
20.319	D	N	18,020	High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants		
20.319	D	Y	85,121,090	ARRA - High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants		
20.505	D	N	1,352,213	Metropolitan Transportation Planning		
20.509	D	N	24,184,221	Formula Grants for Rural Areas		
20.509	D	Y	2,480,450	ARRA - Formula Grants for Rural Areas		
20.513	D	N	3,468,171	Enhanced Mobility of Seniors and Individuals with Disabilities		
20.516	D	N	1,877,439	Job Access And Reverse Commute Program		
20.521	D	N	483,612	New Freedom Program		
20.600	D	N	5,898,974	State and Community Highway Safety		
20.601	D	N	2,831,741	Alcohol Impaired Driving Countermeasures Incentive Grants I		
20.602	D	N	1,106,411	Occupant Protection Incentive Grants		
20.604	D	N	812,669	Safety Incentive Grants for Use of Seatbelts		
20.607	D	N	1,039,389	Alcohol Open Container Requirements		
20.609	D	N	731,036	Safety Belt Performance Grants		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
20.610	D	N	412,122	State Traffic Safety Information System Improvement Grants		
20.612	D	N	239,208	Incentive Grant Program to Increase Motorcyclist Safety		
20.613	D	N	292,896	Child Safety and Child Booster Seats Incentive Grants		
20.616	D	N	1,038,148	National Priority Safety Programs		
23.003	D	N	6,810,573	Appalachian Development Highway System		
97.089	D	N	386,514	Driver's License Security Grant Program		
			<u>1,438,768,306</u>	Total — N. C. Department of Transportation		
<u>N. C. Office of Administrative Hearings</u>						
30	D	N	88,600	U. S. Equal Employment Opportunity Commission		
			<u>88,600</u>	Total — N. C. Office of Administrative Hearings		
<u>N. C. Office of the Governor</u>						
84.395	D	Y	105,773,172	ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act		
94.003	D	N	312,402	State Commissions		
94.006	D	N	3,389,851	AmeriCorps		
94.009	D	N	6,767	Training and Technical Assistance		
			<u>109,482,192</u>	Total — N. C. Office of the Governor		
<u>N.C. Office of Information Technology Services</u>						
15.808	D	N	88,926	U. S. Geological Survey-Research and Data Collection		
15.809	D	N	3,680	National Spatial Data Infrastructure Cooperative Agreements Program		
66.608	D	N	438,205	Environmental Information Exchange Network Grant Program and Related Assistance		
			<u>530,811</u>	Total — N.C. Office of Information Technology Services		
<u>State Board of Elections</u>						
90.401	D	N	11,600	Help America Vote Act Requirements Payments		
93.617	D	N	211,966	Voting Access for Individuals with Disabilities-Grants to States		
			<u>223,566</u>	Total — State Board of Elections		
			<u>17,602,575,472</u>	Total — Primary Government		

Component Units**University of North Carolina System****Appalachian State University**

10.001	D	N	43,371	Agricultural Research-Basic and Applied Research		
10.217	D	N	39,029	Higher Education Challenge Grants		
11.609	D	N	26,135	Measurement and Engineering Research and Standards		
12.900	D	N	79,859	Language Grant Program		
14.906	D	N	273,186	Healthy Homes Technical Studies Grants		
15.660	D	N	5,164	Endangered Species-Candidate Conservation Action Funds		
15.808	D	N	5,352	U. S. Geological Survey-Research and Data Collection		
15.810	D	N	7,374	National Cooperative Geologic Mapping Program		
15.931	D	N	46,093	Conservation Activities by Youth Service Organizations		
15.945	D	N	45,110	Cooperative Research and Training Programs - Resources of the National Park System		
19.040	D	N	69,134	Public Diplomacy Programs		
19.501	D	N	284,116	Public Diplomacy Programs for Afghanistan and Pakistan		

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
23.001	D	N	20,109	Appalachian Regional Development (See individual Appalachian Programs)		
43.001	D	N	63,082	Science		
43.003	D	N	830	Exploration		
43.009	D	N	55,247	Cross Agency Support		
45.024	D	N	11,504	Promotion of the Arts-Grants to Organizations and Individuals		
45.149	D	N	3,000	Promotion of the Humanities-Division of Preservation and Access		
45.164	D	N	3,500	Promotion of the Humanities-Public Programs		
47.049	D	N	422,357	Mathematical and Physical Sciences		
47.050	D	N	53,334	Geosciences		
47.050	I	N	16,280	Geosciences	09114190-S1	Vanderbilt Univ
47.070	D	N	135,153	Computer and Information Science and Engineering		
47.074	D	N	89,797	Biological Sciences		
47.075	D	N	168,038	Social, Behavioral, and Economic Sciences		
47.076	D	N	372,552	Education and Human Resources		
47.076	I	N	6,997	Education and Human Resources	40783-00-01B	Research Fdn of CUNY
47.082	D	Y	13,996	ARRA - Trans-NSF Recovery Act Research Support		
66.034	D	N	69,502	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		
66.516	D	N	36,606	P3 Award: National Student Design Competition for Sustainability		
84.007	D	N	221,895	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	488,408	Federal Work-Study Program		
84.038	D	N	4,501,192	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	266,776	TRIO-Student Support Services		
84.047	D	N	640,165	TRIO-Upward Bound		
84.063	D	N	17,894,043	Federal Pell Grant Program		
84.116	D	N	36,321	Fund for the Improvement of Postsecondary Education		
84.268	D	N	84,902,106	Federal Direct Student Loans		
89.003	D	N	57,289	National Historical Publications and Records Grants		
93.243	D	N	32,697	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.855	D	N	85,318	Allergy, Immunology and Transplantation Research		
93.884	I	N	20,025	Grants for Primary Care Training and Enhancement	WFUHS 116164	Wake Forest Univ
94.011	D	N	375,396	Foster Grandparent Program		
94.016	D	N	248,985	Senior Companion Program		
98.012	I	N	10,066	USAID Development Partnerships for University Cooperation and Development	12-716	Arizona State Univ
			<u>112,246,489</u>	Total — Appalachian State University		
East Carolina University						
10.216	I	N	7,284	1890 Institution Capacity Building Grants	OSP02830020120022	Southern Univ A&M
10.305	D	N	56,597	International Science and Education Grants		
10.459	D	N	11,715	Commodity Partnerships for Small Agricultural Risk Management Education Sessions		
10.855	D	N	136,788	Distance Learning and Telemedicine Loans and Grants		
11.431	I	N	39,606	Climate and Atmospheric Research	10029211/557723	Univ Pennsylvania
11.431	I	N	8,298	Climate and Atmospheric Research	132315/13540FA93	Univ South Carolina
11.431	I	N	14,166	Climate and Atmospheric Research	142569	Univ South Carolina
11.431	I	N	643	Climate and Atmospheric Research	NOAA034/05	Eastern Research Group
11.431	I	N	1,558	Climate and Atmospheric Research	NOAANA09NMF4720414	Commercan Fisheries Fdn
11.459	D	N	20,101	Weather and Air Quality Research		
11.459	I	N	12,413	Weather and Air Quality Research	NNC2012-13NOAA	Nurture Nature Ctr
11.460	D	N	39,360	Special Oceanic and Atmospheric Projects		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
11.473	I	N	30,002	Coastal Services Center	933920000020121/33	Univ Georgia
11.473	I	N	9,275	Coastal Services Center	SAA12(188)ECUJW2	SE Coastal Ocean Observing
11.483	I	N	13,157	NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	63060003NAI30AR4830227	Nurture Nature Ctr
12.300	I	N	7,310	Basic and Applied Scientific Research	1140165PO224208	Carnegie Mellon Univ
12.420	D	N	1,001,263	Military Medical Research and Development		
12.420	I	N	2,747	Military Medical Research and Development	221577W81XH0920001	General Hosp Corp
12.431	D	N	130,173	Basic Scientific Research		
12.431	I	N	231,011	Basic Scientific Research	C648921593/28537981	Univ Connecticut
12.901	D	N	5,457	Mathematical Sciences Grants Program		
12.902	D	N	70,266	Information Security Grant Program		
14.218	I	N	6,682	Community Development Block Grants/Entitlement Grants	A13023002	City of Greenville
14.218	I	N	8,860	Community Development Block Grants/Entitlement Grants	A140012001B12DC37001	Town of Roper
14.218	I	N	7,603	Community Development Block Grants/Entitlement Grants	A140015001B12DC37001	Town of Milton
14.218	I	N	7,548	Community Development Block Grants/Entitlement Grants	A140016001B12DC37001	Town of Louisberg
14.218	I	N	7,396	Community Development Block Grants/Entitlement Grants	A140017001B12DC37001	Town of Saint Pauls
14.218	I	N	8,951	Community Development Block Grants/Entitlement Grants	A140018001B12DC37001	Town of Navassa
14.218	I	N	6,332	Community Development Block Grants/Entitlement Grants	A140019001B12DC37001	City of Raeford
14.218	I	N	7,415	Community Development Block Grants/Entitlement Grants	A140020001B12DC37001	Town of Creswell
14.218	I	N	7,465	Community Development Block Grants/Entitlement Grants	A140021001	Caswell County
14.218	I	N	15,332	Community Development Block Grants/Entitlement Grants	A140022001B12DC370001	City of New Bern
14.218	I	N	7,372	Community Development Block Grants/Entitlement Grants	A140023001B12DC37001	Town of Smithfield
14.218	I	N	9,417	Community Development Block Grants/Entitlement Grants	A140024001B12DC37001	Town of Tarboro
14.218	I	N	9,625	Community Development Block Grants/Entitlement Grants	A140025001	Brunswick County
14.218	I	N	550	Community Development Block Grants/Entitlement Grants	A140151001	City of Greenville
14.228	I	N	8,629	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	A140022001B12DC370001	City of Henderson
15.225	I	N	40,827	Recreation Resource Management	13005078A00	Univ Massachusetts
15.235	I	N	61,604	Southern Nevada Public Land Management	11784400	Univ Nevada Las Vegas
15.423	D	N	56,648	Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)		
15.611	D	N	18,322	Wildlife Restoration and Basic Hunter Education		
15.632	I	N	7,844	Conservation Grants Private Stewardship for Imperiled Species	F13AP000833	Chicago Botanic Garden
15.637	I	N	89,940	Migratory Bird Joint Ventures	19100033130106/40181AJ186	Mississippi State Univ
15.649	I	N	6,339	Service Training and Technical Assistance (Generic Training)	F12AC0105513009A	Missouri State Univ
15.650	D	N	7,612	Research Grants (Generic)		
15.660	D	N	6,413	Endangered Species-Candidate Conservation Action Funds		
15.808	D	N	39,166	U. S. Geological Survey-Research and Data Collection		
15.808	I	N	10,549	U. S. Geological Survey-Research and Data Collection	AV08NC0108HQGR0157	America View
15.815	I	N	24,155	National Land Remote Sensing-Education Outreach and Research	AV13NC01G14AP00002	America View
15.816	D	N	29,494	Minerals Resources External Research Program		
15.945	D	N	33,997	Cooperative Research and Training Programs-Resources of the National Park System		
16.560	D	N	142,118	National Institute of Justice Research, Evaluation, and Development Project Grants		
16.758	I	N	4,560	Improving the Investigation and Prosecution of Child Abuse and the Regional anc Local Children's Advocacy Centers	14GREENSA13	Children's Advocacy Cntr
16.758	I	N	4,483	Improving the Investigation and Prosecution of Child Abuse and the Regional anc Local Children's Advocacy Centers	15GREENSA14	Children's Advocacy Cntr
16.758	I	N	15,594	Improving the Investigation and Prosecution of Child Abuse and the Regional anc Local Children's Advocacy Centers	2871514	Children's Advocacy Cntr
20.614	I	N	9,127	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	DTNH2209D00138	Dunlap & Assoc

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
43.001	D	N	185,881	Science		
43.001	I	N	46,086	Science	4100674052	Carnegie Inst Washington
43.001	I	N	28,234	Science	68016074	Univ Central Florida
43.001	I	N	86,855	Science	SC3041	SETI Institute
43.001	I	N	62	Science	Z647701	Univ Maryland
43.001	I	N	1,228	Science	Z648601	Univ Maryland
45.024	I	N	3,904	Promotion of the Arts-Grants to Organizations and Individuals	4370	South Arts
45.024	I	N	4,018	Promotion of the Arts-Grants to Organizations and Individuals	4473	South Arts
45.161	D	N	123,962	Promotion of the Humanities-Research		
45.313	D	N	2,999	Laura Bush 21st Century Librarian Program		
47.041	D	N	48,592	Engineering Grants		
47.049	D	N	94,807	Mathematical and Physical Sciences		
47.050	D	N	377,935	Geosciences		
47.050	I	N	1,140	Geosciences	14NSF1026EAR1338694	Duke Univ
47.050	I	N	47,172	Geosciences	157560OCE0939564Y89526	Univ So California
47.070	D	N	77,170	Computer and Information Science and Engineering		
47.074	D	N	217,189	Biological Sciences		
47.074	I	N	18,571	Biological Sciences	GA10618127098	Univ Virginia
47.074	I	N	72,808	Biological Sciences	PSA6458DEB0830024	Univ Connecticut
47.075	D	N	272,799	Social, Behavioral, and Economic Sciences		
47.076	D	N	286,456	Education and Human Resources		
47.076	I	N	16,475	Education and Human Resources	UFO8119	Univ Florida
47.078	D	N	126,943	Polar Programs		
47.079	D	N	22,559	Office of International and Integrative Activities		
47.082	D	Y	169,267	ARRA - Trans-NSF Recovery Act Research Support		
64.018	D	N	1,553	Sharing Specialized Medical Resources		
66.717	D	N	8,422	Source Reduction Assistance		
84.007	D	N	536,235	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	354,711	Higher Education-Institutional Aid		
84.033	D	N	548,265	Federal Work-Study Program		
84.038	D	N	10,785,462	Federal Perkins Loan Program-Federal Capital Contributions		
84.063	D	N	31,224,882	Federal Pell Grant Program		
84.268	D	N	147,646,779	Federal Direct Student Loans		
84.305	I	N	8,878	Education Research, Development and Dissemination	TUL6771314	Tulane Univ
84.325	D	N	45,042	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.336	D	N	1,283,267	Teacher Quality Partnership Grants		
84.366	I	N	40,435	Mathematics and Science Partnerships	20122013S366B110034	Beaufort Schools
84.367	I	N	42,207	Improving Teacher Quality State Grants	07NC11	Natl Writing Project
84.375	D	N	1,392	Academic Competitiveness Grants		
93.065	I	N	46,497	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	ORISERESEARCHPART	Oak Ridge Assoc Univ
93.113	D	N	121,867	Environmental Health		
93.113	I	N	37,928	Environmental Health	314301	Boston Med Center
93.113	I	N	194,765	Environmental Health	A120038003	Research Triangle Inst
93.124	D	N	11,608	Nurse Anesthetist Traineeships		
93.153	D	N	523,723	Coordinated Services and Access to Research for Women, Infants, Children, and Youth		
93.173	D	N	20,502	Research Related to Deafness and Communication Disorders		
93.211	D	N	90,999	Telehealth Programs		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.224	I	N	43,774	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A120057001	Greene Co Health
93.224	I	N	34,794	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A120070001	Greene Co Health
93.224	I	N	15,966	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A130074001	Greene Co Health
93.224	I	N	2,330	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	A140129001	Greene Co Health
93.236	D	N	154,825	Grants to States to Support Oral Health Workforce Activities		
93.242	D	N	188,139	Mental Health Research Grants		
93.243	D	N	140,837	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.243	I	N	1,028	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	18658050	Univ Central Florida
93.247	D	N	685,347	Advanced Nursing Education Grant Program		
93.250	D	N	76,486	Geriatric Academic Career Awards		
93.262	I	N	2,027	Occupational Safety and Health Program	3048109702	Univ Kentucky Research Fdn
93.262	I	N	19,319	Occupational Safety and Health Program	3049025288	Univ Kentucky Research Fdn
93.262	I	N	5,361	Occupational Safety and Health Program	500836003	Univ Alabama Birmingham
93.273	D	N	433,072	Alcohol Research Programs		
93.276	I	N	66,131	Drug-Free Communities Support Program Grants	130380001	Coastal Coalition
93.279	D	N	55,815	Drug Abuse and Addiction Research Programs		
93.279	I	N	10,861	Drug Abuse and Addiction Research Programs	ECIG Adolescent	Amer Acad Child & Adolescent Psychology
93.283	D	N	26,160	Centers for Disease Control and Prevention-Investigations and Technical Assistance		
93.283	I	N	4,743	Centers for Disease Control and Prevention-Investigations and Technical Assistance	3835418	Duke Univ
93.283	I	N	35,297	Centers for Disease Control and Prevention-Investigations and Technical Assistance	UA13067	Univ Alabama Birmingham
93.342	D	N	265,391	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students		
93.351	D	N	255,654	Research Infrastructure Programs		
93.351	I	N	9,931	Research Infrastructure Programs	A130174001	Rivers and Associates
93.358	D	N	325,120	Advanced Education Nursing Traineeships		
93.364	D	N	382,367	Nursing Student Loans		
93.389	I	N	2,140	National Center for Research Resources	HL096789	Med Univ So Carolina
93.393	D	N	250,863	Cancer Cause and Prevention Research		
93.394	I	N	14,869	Cancer Detection and Diagnosis Research	A130188003	Univ Washington
93.394	I	N	3,128	Cancer Detection and Diagnosis Research	RF0129840560031436	Univ Washington
93.395	D	N	87,443	Cancer Treatment Research		
93.395	I	N	1,806	Cancer Treatment Research	20090022	Ambulatory Pediatric Assoc
93.395	I	N	2,112	Cancer Treatment Research	40601	Univ Chicago
93.395	I	N	4,515	Cancer Treatment Research	CALGB11002	Brigham & Womens Physicians
93.395	I	N	95,460	Cancer Treatment Research	ECACA171983	Pennsylvania State Univ
93.395	I	N	3,280	Cancer Treatment Research	U10CA021661	Amer Coll Radiology
93.396	D	N	77,217	Cancer Biology Research		
93.399	I	N	375	Cancer Control	70604	Cancer & Leukemia B
93.701	D	Y	111,603	ARRA - Trans-NIH Recovery Act Research Support		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.750	I	N	27,764	PPHF 2013 - Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges	TFED41S2194	Community Care of NC
93.837	D	N	572,213	Cardiovascular Diseases Research		
93.837	I	N	824	Cardiovascular Diseases Research	7U01HL088942	Mt Sinai Schl Med
93.837	I	N	9,995	Cardiovascular Diseases Research	CALGB7035106031040310404	Duke Univ
93.837	I	N	7,224	Cardiovascular Diseases Research	M12A11364A08651	Yale Univ
93.837	I	N	121	Cardiovascular Diseases Research	U01HL382703832361	Duke Univ
93.837	I	N	1,690	Cardiovascular Diseases Research	VUMC399334	Vanderbilt Univ
93.839	I	N	110,856	Blood Diseases and Resources Research	5R01HL095647	Cincinnati Child Hosp
93.846	D	N	955,474	Arthritis, Musculoskeletal and Skin Diseases Research		
93.846	I	N	10,938	Arthritis, Musculoskeletal and Skin Diseases Research	12002	Wake Forest Univ
93.846	I	N	4,603	Arthritis, Musculoskeletal and Skin Diseases Research	3538027	Duke Univ
93.847	D	N	1,436,726	Diabetes, Digestive, and Kidney Diseases Extramural Research		
93.847	I	N	8,584	Diabetes, Digestive, and Kidney Diseases Extramural Research	1RF3DK091143	Cara Cairns Design
93.847	I	N	31,710	Diabetes, Digestive, and Kidney Diseases Extramural Research	2820	Boston Med Center
93.847	I	N	10,849	Diabetes, Digestive, and Kidney Diseases Extramural Research	3301822U01DK066174	Childs Hospital Philadelphia
93.847	I	N	34,637	Diabetes, Digestive, and Kidney Diseases Extramural Research	3O00019113O108371001	Childrens Research Inst
93.853	D	N	655,363	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.853	I	N	81,153	Extramural Research Programs in the Neurosciences and Neurological Disorders	22820314303	Boston Med Center
93.853	I	N	4,000	Extramural Research Programs in the Neurosciences and Neurological Disorders	MTTRRNS084138	Scripps Research
93.855	D	N	500,103	Allergy, Immunology and Transplantation Research		
93.855	I	N	26,567	Allergy, Immunology and Transplantation Research	5159701	Albany Medical Coll
93.855	I	N	111,754	Allergy, Immunology and Transplantation Research	7439A	Univ Texas Houston
93.855	I	N	103,476	Allergy, Immunology and Transplantation Research	A140042	Tunitas Therapeutics
93.855	I	N	78,183	Allergy, Immunology and Transplantation Research	RA1092914B	Tunitas Therapeutics
93.855	I	N	52,389	Allergy, Immunology and Transplantation Research	SPS199679	Duke Univ
93.859	D	N	106,944	Biomedical Research and Research Training		
93.859	I	N	2,877	Biomedical Research and Research Training	101983578	Baylor Univ Coll Med
93.859	I	N	5,491	Biomedical Research and Research Training	16582009178	Clemson Univ
93.859	I	N	544	Biomedical Research and Research Training	900613	Univ Pittsburgh
93.859	I	Y	4,599	ARRA - Biomedical Research and Research Training	1217685	Univ Pittsburgh
93.865	D	N	113,035	Child Health and Human Development Extramural Research		
93.865	I	N	36,371	Child Health and Human Development Extramural Research	23120212356	Research Triangle Inst
93.866	D	N	39,475	Aging Research		
93.866	I	N	3,079	Aging Research	30209/30215	Wake Forest Univ
93.866	I	N	480,923	Aging Research	ASPREE	Wake Forest Univ
93.884	D	N	580,709	Grants for Primary Care Training and Enhancement		
93.918	D	N	546,071	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		
93.958	I	N	2,727	Block Grants for Community Mental Health Services	A140054	Pitt Co Coalition Substance
93.959	I	N	23,523	Block Grants for Prevention and Treatment of Substance Abuse	332434	Wake Forest Univ
93.964	D	N	13,817	Prevention and Public Health Fund (PPHF) Public Health Traineeships		
97.012	I	N	18,699	Boating Safety Financial Assistance	20111102.26	Wake Forest Univ
			<u>209,197,356</u>	Total — East Carolina University		
Elizabeth City State University						
11.609	D	N	6,385	Measurement and Engineering Research and Standards		
12.431	D	N	17,214	Basic Scientific Research		
12.630	D	N	3,106	Basic, Applied, and Advanced Research in Science and Engineering		
14.169	D	N	19,643	Housing Counseling Assistance Program		
14.520	D	N	305,869	Historically Black Colleges and Universities Program		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
16.525	D	N	33,705	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus		
43.008	D	N	163,869	Education		
45.149	D	N	5,846	Promotion of the Humanities-Division of Preservation and Access		
47.049	D	N	168,823	Mathematical and Physical Sciences		
47.050	D	N	304,240	Geosciences		
47.074	D	N	21,820	Biological Sciences		
47.076	D	N	595,256	Education and Human Resources		
47.076	I	N	2,828	Education and Human Resources	DUE0525433	Univ of New Hampshire
47.078	D	N	2,609	Polar Programs		
47.078	I	N	389,811	Polar Programs	ANT-0424589	Univ of Kansas
47.080	D	N	17,702	Office of Cyberinfrastructure		
84.007	D	N	411,270	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	4,557,379	Higher Education-Institutional Aid		
84.033	D	N	328,014	Federal Work-Study Program		
84.038	D	N	970,572	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	209,345	TRIO-Student Support Services		
84.047	D	N	238,156	TRIO-Upward Bound		
84.063	D	N	7,809,143	Federal Pell Grant Program		
84.120	D	N	388,492	Minority Science and Engineering Improvement		
84.268	D	N	13,529,964	Federal Direct Student Loans		
84.363	D	N	497,980	School Leadership		
84.379	D	N	16,967	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
84.382	D	N	504,601	Strengthening Minority-Serving Institutions		
93.307	D	N	146,896	Minority Health and Health Disparities Research		
93.859	D	N	374,742	Biomedical Research and Research Training		
97.062	D	N	188,400	Scientific Leadership Awards		
			<u>32,230,647</u>	Total — Elizabeth City State University		

Fayetteville State University

10.310	D	N	82,021	Agriculture and Food Research Initiative (AFRI)		
11.303	D	N	108,660	Economic Development-Technical Assistance		
11.557	D	N	358,041	Broadband Technology Opportunities Program (BTOP)		
11.609	D	N	5,670	Measurement and Engineering Research and Standards		
12.420	D	N	78,970	Military Medical Research and Development		
12.431	D	N	104,691	Basic Scientific Research		
12.630	D	N	444,165	Basic, Applied, and Advanced Research in Science and Engineering		
14.520	D	N	114,152	Historically Black Colleges and Universities Program		
47.076	D	N	666,880	Education and Human Resources		
59.044	D	N	208,714	Veterans Business Development		
84.007	D	N	808,519	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	4,640,254	Higher Education-Institutional Aid		
84.033	D	N	795,180	Federal Work-Study Program		
84.038	D	N	2,628,482	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	316,343	TRIO-Student Support Services		
84.044	D	N	254,022	TRIO-Talent Search		
84.047	D	N	515,224	TRIO-Upward Bound		
84.063	D	N	15,127,919	Federal Pell Grant Program		
84.066	D	N	363,097	TRIO-Educational Opportunity Centers		
84.120	D	N	118,831	Minority Science and Engineering Improvement		

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.217	D	N	224,608	TRIO-McNair Post-Baccalaureate Achievement		
84.268	D	N	35,747,501	Federal Direct Student Loans		
84.334	D	N	319,273	Gaining Early Awareness and Readiness for Undergraduate Programs		
84.379	D	N	151,348	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
84.382	D	N	544,224	Strengthening Minority-Serving Institutions		
93.307	D	N	441,654	Minority Health and Health Disparities Research		
93.779	D	N	15	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		
93.859	D	N	392,995	Biomedical Research and Research Training		
94.005	D	N	284	Learn and Serve America-Higher Education		
			<u>65,561.737</u>	Total — Fayetteville State University		

North Carolina Agricultural & Technical State University

10	D	N	159,730	U. S. Department of Agriculture		
10	D	Y	4,990	ARRA - U. S. Department of Agriculture		
10	I	N	-668	U. S. Department of Agriculture	CANFVSU-08-016	Fort Valley State Univ
10	I	N	-27,486	U. S. Department of Agriculture	E-Mail Dated 12/3/08	Farm Pilot Project Coordination, Inc
10	I	N	10,315	U. S. Department of Agriculture	RC100236NC	The Regents of the Univ of Michigan
10	I	N	9,844	U. S. Department of Agriculture	VSU SUBAgreement TO NCA&T DAT	Virginia State Univ
10.200	D	N	16,389	Grants for Agricultural Research, Special Research Grants		
10.205	D	N	1,912,493	Payments to 1890 Land-Grant Colleges and Tuskegee University		
10.206	D	N	6,343,926	Grants for Agricultural Research-Competitive Research Grants		
10.210	D	N	780	Higher Education-Graduate Fellowships Grant Programs		
10.215	I	N	1,103	Sustainable Agriculture Research and Education	RD309-101/3842758	USDA-Cooperative State Research Education Ext Service
10.216	D	N	1,432,947	1890 Institution Capacity Building Grants		
10.216	I	N	13,429	1890 Institution Capacity Building Grants	2010-20571-NCA&T	Univ of Maryland Eastern Shore
10.216	I	N	9,804	1890 Institution Capacity Building Grants	Sub Agreement VSU Dated 2-17-14	Virginia State Univ
10.216	I	N	4,604	1890 Institution Capacity Building Grants	Subaward#:CANFVSU-13-011	Fort Valley State Univ
10.217	I	N	-2,274	Higher Education-Institution Challenge Grants Program	416-43-24 B	Iowa State Univ
10.217	I	N	7,548	Higher Education-Institution Challenge Grants Program	63630	Ohio State Univ
10.220	D	N	70,725	Higher Education-Multicultural Scholars Grant Program		
10.224	D	N	-6,155	Fund for Rural America-Research, Education, and Extension Activities		
10.250	D	N	130,644	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations		
10.303	I	N	-6,989	Integrated Programs	Subaward No. 451012	Texas A&M Univ
10.305	D	N	23,284	International Science and Education Grants		
10.306	I	N	3,231	Biodiesel	416-40-39B	Iowa State Univ
10.309	D	N	125,501	Specialty Crop Research Initiative		
10.310	D	N	53,512	Agriculture and Food Research Initiative (AFRI)		
10.310	I	N	846	Agriculture and Food Research Initiative (AFRI)	2000041386-AG	Purdue Univ
10.310	I	N	34,249	Agriculture and Food Research Initiative (AFRI)	85000024594	Univ of Tennessee-Knoxville
10.310	I	N	13,120	Agriculture and Food Research Initiative (AFRI)	UF11100	Univ of Florida
10.311	D	N	136,201	Beginning Farmer and Rancher Development Program		
10.313	I	N	31,685	Veterinary Medicine Loan Repayment Program	Subaward Agmt 62524.9499	Cornell Univ
10.443	D	N	98,819	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers		
10.455	D	N	36,348	Community Outreach and Assistance Partnership Program		
10.459	D	N	10,267	Commodity Partnerships for Small Agricultural Risk Management Education Sessions		
10.500	D	N	865,269	Cooperative Extension Service		
10.500	I	N	1,955	Cooperative Extension Service	39 3124411666122	Tuskegee Univ

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
10.500	I	N	3,480	Cooperative Extension Service	RE675-161/4786336	Univ of Georgia
10.902	D	N	66,067	Soil and Water Conservation		
10.961	D	N	15,241	Scientific Cooperation and Research		
11.481	D	N	-8,792	Educational Partnership Program		
12	D	N	887,960	U. S. Department of Defense		
12	I	N	13,486	U. S. Department of Defense	10-S590-0004-02-C15	Universal Technology Corporation
12	I	N	230,438	U. S. Department of Defense	11-S590-0004-02-C18	Universal Technology Corporation
12	I	N	19,464	U. S. Department of Defense	12-S7116-001	Universal Technology Corporation
12	I	N	67,526	U. S. Department of Defense	14-S590-0004-02-C25	Universal Technology Corporation
12	I	N	9,045	U. S. Department of Defense	316091	Univ of Maryland
12	I	N	27,579	U. S. Department of Defense	Check #0178400	Voorhees College
12	I	N	11,155	U. S. Department of Defense	Departmental Approval In Process	Scientific Research Corporation (SRC)
12	I	N	76,959	U. S. Department of Defense	NCAT 12-S-567-018-02-C2	Clarkson Aerospace
12	I	N	9,788	U. S. Department of Defense	NCAT 13-S7700-01-C2	Clarkson Aerospace
12	I	N	28,235	U. S. Department of Defense	NOOO 14-13-P-1158-NCAT	Mercury Data Systems, Inc.
12	I	N	4,145	U. S. Department of Defense	S11-36	Pennsylvania State Univ
12	I	N	72,113	U. S. Department of Defense	SR20132300	Scientific Research Corporation (SRC)
12	I	N	-14,842	U. S. Department of Defense	Subcontract MP-NC A&T SU-SC-01	Binary Group, Inc
12.300	D	N	234,220	Basic and Applied Scientific Research		
12.431	D	N	1,770,756	Basic Scientific Research		
12.431	I	N	56,868	Basic Scientific Research	Z845802	Univ of Maryland
12.630	D	N	308,376	Basic, Applied, and Advanced Research in Science and Engineering		
14	I	N	12,250	U. S. Department of Housing and Urban Development	Agreement Dated 4-1-11	City of Greensboro
14	I	N	1,594	U. S. Department of Housing and Urban Development	Agreement Dated 4/21/11	Piedmont Triad Council of Governments
14.520	D	N	268,606	Historically Black Colleges and Universities Program		
15	I	N	20,846	U. S. Department of Interior	FP40339	Univ of Alaska
16.525	I	N	7,755	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	BC-2013-DOJ-A&T	Bennett College
16.582	D	N	194,027	Crime Victim Assistance/Discretionary Grants		
16.726	I	N	11,720	Juvenile Mentoring Program	2013-JU-FX-0022	National 4-H Council
16.731	I	N	3,482	Tribal Youth Program	2011-TY-FX-0031	National 4-H Council
20	D	N	17,131	U. S. Department of Transportation		
20	I	N	25,382	U. S. Department of Transportation	DTRT07-G-0004	Univ of Tennessee-Knoxville
20	I	N	2,553	U. S. Department of Transportation	RF01354864	Ohio State Univ
20	I	N	13,883	U. S. Department of Transportation	Task Order 13-NCA&T-E1	Univ of Tennessee-Knoxville
20.205	D	N	29,061	Highway Planning and Construction		
43	D	N	1,273,928	National Aeronautics and Space Administration		
43	I	N	67,220	National Aeronautics and Space Administration	LSK-NNK14EA01C-NCAT Letter Sub	Millennium Engineering and Integration Company
43	I	N	52,020	National Aeronautics and Space Administration	Letter Dated 9-23-03	National Action Council for Minorities in Engineering Inc
43	I	N	49	National Aeronautics and Space Administration	N/A	National Action Council for Minorities in Engineering Inc
43	I	N	310,033	National Aeronautics and Space Administration	NCAT-03-01	Virginia Polytechnic Inst
43	I	N	5,243	National Aeronautics and Space Administration	P.O. #FP11713	Univ of Alaska
43.008	I	N	26,570	Education	4103-0583	Purdue Univ
47	I	N	13,245	National Science Foundation	478455-19070	Virginia Polytechnic Inst
47	I	N	27,517	National Science Foundation	NSF-SBIR/STTR	Thixomat Inc
47.041	D	N	5,367,300	Engineering Grants		
47.041	I	N	45,656	Engineering Grants	A13-0112-S0001	Univ of Tennessee-Knoxville
47.041	I	N	184,964	Engineering Grants	EEC-0540834	Univ of Minnesota
47.041	I	N	3,875	Engineering Grants	EEC-1263346	Regents of the Univ of Minnesota
47.049	D	N	126,281	Mathematical and Physical Sciences		
47.050	D	N	264,533	Geosciences		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
47.070	D	N	155,682	Computer and Information Science and Engineering		
47.074	I	N	479,961	Biological Sciences	61-2075NC	Michigan State Univ
47.075	D	N	16,269	Social, Behavioral, and Economic Sciences		
47.075	I	N	3,428	Social, Behavioral, and Economic Sciences	4532-NCATSU-NSF-5327	Pennsylvania State Univ
47.076	D	N	4,766,443	Education and Human Resources		
47.076	I	N	55,866	Education and Human Resources	0007964-1000046713/47258	Howard Univ
47.076	I	N	10,187	Education and Human Resources	BECK/525618	Villanova Univ
47.076	I	N	12,861	Education and Human Resources	UF-EIES-1109030-NCA	Univ of Florida
47.078	I	N	52,728	Polar Programs	FP32463	Univ of Alaska-Fairbanks
47.079	I	N	415	Office of International and Integrative Activities	3027-NCATS-NSF-0062	Pennsylvania State Univ
47.081	D	N	5,432	Office of Experimental Program to Stimulate Competitive Research		
47.081	D	Y	167,659	ARRA - Office of Experimental Program to Stimulate Competitive Research		
66	D	N	-421	U. S. Environmental Protection Agency		
66.202	I	N	-9	Congressionally Mandated Projects	EPA83438801	Consortium For Plant Biotechnology Research, Inc
77.007	D	N	37,927	U. S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)		
81	I	N	5,128	U. S. Department of Energy	Check #019333 Dated 3-10-14	Voorhees College
81	I	N	4,674	U. S. Department of Energy	PO NO. EP47048	Honeywell International Inc
81	I	Y	64,438	ARRA - U. S. Department of Energy	Contract Dated 10/12/11	City of Greensboro
81.087	D	N	161,309	Renewable Energy Research and Development		
81.089	D	N	-1,642	Fossil Energy Research and Development		
81.123	D	N	392,694	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program		
81.123	I	N	50,704	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	F1040051	Norfolk State Univ
81.123	I	N	24,003	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	HU-130002	Hampton Univ
81.214	D	N	17,668	Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis		
84	D	N	30,264	U. S. Department of Education		
84.007	D	N	462,472	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	16,789,664	Higher Education-Institutional Aid		
84.033	D	N	469,978	Federal Work-Study Program		
84.038	D	N	1,711,193	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	275,515	TRIO-Student Support Services		
84.047	D	N	468,132	TRIO-Upward Bound		
84.063	D	N	24,991,008	Federal Pell Grant Program		
84.120	D	N	325,300	Minority Science and Engineering Improvement		
84.129	D	N	115,604	Rehabilitation Long-Term Training		
84.217	D	N	-19,936	TRIO-McNair Post-Baccalaureate Achievement		
84.268	D	N	75,738,185	Federal Direct Student Loans		
84.315	D	N	238,577	Capacity Building for Traditionally Underserved Populations		
84.325	D	N	47,593	Specialty Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.350	D	N	-135	Transition to Teaching		
93	D	N	260,764	U. S. Department of Health and Human Services		
93	I	N	-120	U. S. Department of Health and Human Services	Letter Dated 7-27-11	The American Society For Cell Biology
93.061	D	Y	7,334	ARRA - Innovations in Applied Public Health Research		
93.113	D	N	32,547	Environmental Health		
93.173	I	N	21,067	Research Related to Deafness and Communication Disorders	210-1096387-58164	State Univ of New York
93.243	I	N	1,259	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	T1023447	Morehouse School Of Medicine
93.262	I	N	106,967	Occupational Safety and Health Program	431639-19070	Virginia Polytechnic Inst

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.307	D	N	338,479	Minority Health and Health Disparities Research		
93.307	I	N	43,989	Minority Health and Health Disparities Research	HU-140004	Hampton Univ
93.393	D	N	96,702	Cancer Cause and Prevention Research		
93.397	D	N	5,677	Cancer Centers Support Grants		
93.846	I	N	10,522	Arthritis, Musculoskeletal and Skin Diseases Research	7744	Univ of Cincinnati
93.853	D	N	157,066	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.859	D	N	816,976	Biomedical Research and Research Training		
93.859	I	N	13,900	Biomedical Research and Research Training	T36GM095335	Carnegie Mellon Univ
93.865	I	N	7,540	Child Health and Human Development Extramural Research	6707SC	Univ of California-San Francisco
93.866	I	N	690	Aging Research	5-31230	The Trustees of Columbia Univ
97	D	N	34,095	U. S. Department of Homeland Security		
97	I	N	4,677	U. S. Department of Homeland Security	Letter Dated January 4, 2013	Oak Ridge Institute for Science and Education
97.061	I	N	-4,838	Centers for Homeland Security	X9106025121	US Dept of Commerce
97.062	D	N	17,379	Scientific Leadership Awards		
97.077	D	N	29,472	Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection		
98	I	N	2,476	United States Agency for International Development	201300395-01	Univ of California-Davis
98	I	N	13,082	United States Agency for International Development	Agreement Number: 09-002494-58	Univ of California-Davis
98.001	I	N	37,606	USAID Foreign Assistance for Programs Overseas	06-S131628	Texas A&M Univ
98.001	I	N	320,243	USAID Foreign Assistance for Programs Overseas	425955-19070	Virginia Polytechnic Inst
			<u>154,288,346</u>	Total — North Carolina Agricultural & Technical State University		

North Carolina Central University

10.310	D	N	958	Agriculture and Food Research Initiative (AFRI)		
11.557	D	Y	66,291	ARRA - Broadband Technology Opportunities Program (BTOP)		
12.420	D	N	60,861	Military Medical Research and Development		
12.431	D	N	248,415	Basic Scientific Research		
12.630	D	N	57,840	Basic, Applied, and Advanced Research in Science and Engineering		
16.525	D	N	96,243	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus		
16.738	I	N	15,555	Edward Byrne Memorial Justice Assistance Grant Program	3-12165-41	Governor's Crime Commission
21.008	D	N	30,781	Low Income Taxpayer Clinics		
43.001	I	N	67,098	Science	12-002JNA	Delaware State Univ
45.310	I	N	16,681	Grants to States	N/A	State Library of NC
47.041	D	N	90,343	Engineering Grants		
47.049	I	N	84,838	Mathematical and Physical Sciences	12-NSF-1026	Duke Univ
47.074	D	N	133,469	Biological Sciences		
47.076	D	N	1,050,498	Education and Human Resources		
47.079	I	N	96,013	Office of International and Integrative Activities	13-NSF-1035	Duke Univ
81.049	D	N	177,593	Office of Science Financial Assistance Program		
81.049	I	N	63,114	Office of Science Financial Assistance Program	12-DOE-1077	Duke Univ
81.087	D	N	90,043	Renewable Energy Research and Development		
84.007	D	N	912,275	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	7,089,101	Higher Education-Institutional Aid		
84.033	D	N	1,268,126	Federal Work-Study Program		
84.038	D	N	6,878,178	Federal Perkins Loan Program-Federal Capital Contributions		
84.063	D	N	19,061,012	Federal Pell Grant Program		
84.129	D	N	44,420	Rehabilitation Long-Term Training		
84.153	D	N	12,283	Business and International Education Projects		
84.268	D	N	86,102,711	Federal Direct Student Loans		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.325	D	N	51,409	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.379	D	N	3,712	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
93.136	D	N	16,096	Injury Prevention and Control Research and State and Community Based Programs		
93.243	D	N	157,002	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.273	D	N	959,577	Alcohol Research Programs		
93.279	D	N	26,597	Drug Abuse and Addiction Research Programs		
93.307	D	N	1,293,332	Minority Health and Health Disparities Research		
93.364	D	N	27,534	Nursing Student Loans		
93.393	D	N	45,844	Cancer Cause and Prevention Research		
93.395	D	N	215,385	Cancer Treatment Research		
93.395	I	N	117,048	Cancer Treatment Research	A-13-0031	Zen - Bio, Inc
93.397	D	N	1,239,064	Cancer Centers Support Grants		
93.701	D	N	2,502	Trans-NIH Recovery Act Research Support		
93.837	D	N	285,947	Cardiovascular Diseases Research		
93.847	D	N	250,657	Diabetes, Digestive, and Kidney Diseases Extramural Research		
93.855	D	N	123,539	Allergy, Immunology and Transplantation Research		
93.859	D	N	248,496	Biomedical Research and Research Training		
93.865	I	N	84,742	Child Health and Human Development Extramural Research	K12-HD043446-11	Duke Univ
93.925	D	N	562,740	Scholarships for Health Professions Students from Disadvantaged Backgrounds		
93.940	D	N	25,636	HIV Prevention Activities-Health Department Based		
97.005	I	N	154,756	State and Local Homeland Security National Training Program	452284-12-256	Eastern Kentucky Univ
			<u>129,706,355</u>	Total — North Carolina Central University		
North Carolina State University						
10	D	N	2,023,955	U. S. Department of Agriculture		
10	I	N	23,064	U. S. Department of Agriculture	#13-052	Land-Of-Sky Regional Council
10	I	N	25,474	U. S. Department of Agriculture	018000.340452.19	Mississippi State Univ
10	I	N	24,468	U. S. Department of Agriculture	1201-005	Nat'l Wildlife Fed.
10	I	N	402	U. S. Department of Agriculture	163RFP#2010-001	U.S. Endow For Forest & Comm.
10	I	N	8,693	U. S. Department of Agriculture	2013-1717	National Honey Board
10	I	N	22,365	U. S. Department of Agriculture	2014-0482	Carolina Farm Stewardship Asso
10	I	N	25,156	U. S. Department of Agriculture	5150-BATTS	Rutgers Univ
10	I	N	84,664	U. S. Department of Agriculture	68393-02	Battelle Energy Alliance, LLC
10.001	D	N	1,668,115	Agricultural Research-Basic and Applied Research		
10.001	I	N	152,359	Agricultural Research-Basic and Applied Research	2011-0669	Biotechnology Res. & Dev. Corp
10.025	D	N	4,070,139	Plant and Animal Disease, Pest Control, and Animal Care		
10.025	I	N	42,666	Plant and Animal Disease, Pest Control, and Animal Care	2012-NC01-BB-IVORS	Rutgers Univ
10.025	I	N	33,001	Plant and Animal Disease, Pest Control, and Animal Care	422368-19071	Virginia Polytechnic Inst
10.025	I	N	31,911	Plant and Animal Disease, Pest Control, and Animal Care	5138-BBYR2	Rutgers Univ
10.025	I	N	58,159	Plant and Animal Disease, Pest Control, and Animal Care	RC102841A	Michigan State Univ
10.156	I	N	3,980	Federal-State Marketing Improvement Program	5613240 / PO # 39845	Univ of Connecticut
10.168	D	N	25,554	Farmers' Market and Local Food Promotion Program		
10.170	I	N	-2	Specialty Crop Block Grant Program-Farm Bill	2011-1883	NC Sweet Potato Comm
10.170	I	N	9,789	Specialty Crop Block Grant Program-Farm Bill	2013-2155	NC Nursery & Landscape Assoc.
10.170	I	N	5,086	Specialty Crop Block Grant Program-Farm Bill	2013-2649	NC Strawberry Assoc.
10.170	I	N	9,668	Specialty Crop Block Grant Program-Farm Bill	G20100016813MKT	NC Potato Assoc.
10.200	D	N	467,680	Grants for Agricultural Research, Special Research Grants		
10.200	I	N	439	Grants for Agricultural Research, Special Research Grants	12-EPP-373017-NCSU	Auburn Univ

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
10.200	I	N	2,462	Grants for Agricultural Research, Special Research Grants	1300214027	Univ of Florida
10.200	I	N	17,342	Grants for Agricultural Research, Special Research Grants	1400281309	Univ of Florida
10.200	I	N	15,991	Grants for Agricultural Research, Special Research Grants	1400281497	Univ of Florida
10.200	I	N	11,245	Grants for Agricultural Research, Special Research Grants	1400281501	Univ of Florida
10.200	I	N	16,882	Grants for Agricultural Research, Special Research Grants	1400281502	Univ of Florida
10.200	I	N	22,535	Grants for Agricultural Research, Special Research Grants	PO 1300213220	Univ of Florida
10.200	I	N	1,397	Grants for Agricultural Research, Special Research Grants	PO# 1000184269	Univ of Florida
10.200	I	N	2,354	Grants for Agricultural Research, Special Research Grants	PO# 1300213395	Univ of Florida
10.200	I	N	515	Grants for Agricultural Research, Special Research Grants	RF330-451/4893136	Univ of Georgia
10.200	I	N	41,530	Grants for Agricultural Research, Special Research Grants	RF330-483/4353708	Univ of Georgia
10.200	I	N	11,472	Grants for Agricultural Research, Special Research Grants	UM-S856	Univ of Maine
10.200	I	N	3,655	Grants for Agricultural Research, Special Research Grants	UM-S950	Univ of Maine
10.200	I	N	8,976	Grants for Agricultural Research, Special Research Grants	UMS-900	Univ of Maine
10.202	D	N	1,034,223	Cooperative Forestry Research		
10.203	D	N	8,010,099	Payments to Agricultural Experiment Stations Under the Hatch Act		
10.206	D	N	209,993	Grants for Agricultural Research-Competitive Research Grants		
10.207	D	N	64,331	Animal Health and Disease Research		
10.210	D	N	329,100	Higher Education - Graduate Fellowships Grant Program		
10.212	I	N	10	Small Business Innovation Research	2013-0100	Farmhand Foods
10.215	I	N	30,727	Sustainable Agriculture Research and Education	RD309-105/4690188	Univ of Georgia
10.215	I	N	632	Sustainable Agriculture Research and Education	RD309-105/4692998	Univ of Georgia
10.215	I	N	174	Sustainable Agriculture Research and Education	RD309-105/4786556	Univ of Georgia
10.215	I	N	172	Sustainable Agriculture Research and Education	RD309-105/4786686	Univ of Georgia
10.215	I	N	56,097	Sustainable Agriculture Research and Education	RD309-109/4786256	Univ of Georgia
10.215	I	N	2,275	Sustainable Agriculture Research and Education	RD309-109/4892096	Univ of Georgia
10.215	I	N	5,168	Sustainable Agriculture Research and Education	RD309-109/4892146	Univ of Georgia
10.215	I	N	7,113	Sustainable Agriculture Research and Education	RD309-117/4940216	Univ of Georgia Res Fdn
10.215	I	N	6,024	Sustainable Agriculture Research and Education	RD309-117/4940336	Univ of Georgia
10.215	I	N	68,061	Sustainable Agriculture Research and Education	RD309-122/4940076	Univ of Georgia
10.215	I	N	65,027	Sustainable Agriculture Research and Education	RD309-122/4940246	Univ of Georgia
10.215	I	N	3,667	Sustainable Agriculture Research and Education	RD309-122/4941316	Univ of Georgia
10.215	I	N	4,967	Sustainable Agriculture Research and Education	RD309-125/4940916	Univ of Georgia
10.215	I	N	18,333	Sustainable Agriculture Research and Education	RD309-125/4940946	Univ of Georgia
10.215	I	N	6,107	Sustainable Agriculture Research and Education	UF10247	Univ of Florida
10.217	D	N	122,401	Higher Education - Institution Challenge Grants Program		
10.217	I	N	37,812	Higher Education - Institution Challenge Grants Program	320699-19071	Virginia Polytechnic Inst
10.217	I	N	25,880	Higher Education - Institution Challenge Grants Program	UF11254	Univ of Florida
10.219	D	N	302,180	Biotechnology Risk Assessment Research		
10.220	D	N	40,000	Higher Education - Multicultural Scholars Grant Program		
10.250	D	N	15,038	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations		
10.303	D	N	2,166,729	Integrated Programs		
10.303	I	N	93,715	Integrated Programs	1300213234	Univ of Florida
10.303	I	N	52,516	Integrated Programs	1590-207-2008693	Clemson Univ
10.303	I	N	107,345	Integrated Programs	347K060	Univ of Wisconsin
10.303	I	N	5,566	Integrated Programs	451008	Texas A&M Univ
10.303	I	N	1,128	Integrated Programs	545850-19071	Virginia Polytechnic Inst
10.303	I	N	80,057	Integrated Programs	60025287 PO: RF01254093	Ohio State Univ
10.303	I	N	1,439	Integrated Programs	61-4299B	Michigan State Univ
10.303	I	N	18,158	Integrated Programs	RF330-411/3843858	Univ of Georgia
10.304	I	N	17,108	Homeland Security-Agricultural	RC101676NCSU	Michigan State Univ

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10.304	I	N	19,519	Homeland Security-Agricultural	UFDSP00010246	Univ of Florida
10.305	D	N	26,579	International Science and Education Grants		
10.307	D	N	360,331	Organic Agriculture Research and Extension Initiative		
10.307	I	N	29,529	Organic Agriculture Research and Extension Initiative	4821	Rutgers Univ
10.307	I	N	42,111	Organic Agriculture Research and Extension Initiative	67385-9950	Cornell Univ
10.307	I	N	12,103	Organic Agriculture Research and Extension Initiative	67835-9950	Cornell Univ
10.307	I	N	81,248	Organic Agriculture Research and Extension Initiative	8500028703	Univ of Tennessee
10.307	I	N	36,381	Organic Agriculture Research and Extension Initiative	C0421A-A	Oregon State Univ
10.309	D	N	1,015,624	Specialty Crop Research Initiative		
10.309	I	N	68,508	Specialty Crop Research Initiative	350K836	Univ of Wisconsin
10.309	I	N	199,359	Specialty Crop Research Initiative	422179-19071	Virginia Polytechnic Inst
10.309	I	N	31,890	Specialty Crop Research Initiative	43897	Louisiana State Univ
10.309	I	N	97,000	Specialty Crop Research Initiative	61314-9364	Cornell Univ
10.309	I	N	381,616	Specialty Crop Research Initiative	G-1414-1	Colorado State Univ
10.309	I	N	4,627	Specialty Crop Research Initiative	H001545603	Univ of Minnesota
10.309	I	N	6,020	Specialty Crop Research Initiative	PO:6605009 Agri Econ & Busi	Univ of Arkansas
10.309	I	N	6,660	Specialty Crop Research Initiative	RC299-380/3503828	Univ of Georgia
10.309	I	N	29,048	Specialty Crop Research Initiative	S110021 2011-51181-21064	Texas A&M Univ
10.309	I	N	90,786	Specialty Crop Research Initiative	UF10226	Univ of Florida
10.310	D	N	7,284,994	Agriculture and Food Research Initiative (AFRI)		
10.310	I	N	24,890	Agriculture and Food Research Initiative (AFRI)	115334 G002890	Washington State Univ
10.310	I	N	7,016	Agriculture and Food Research Initiative (AFRI)	13-USDA-1015	Duke Univ
10.310	I	N	45,445	Agriculture and Food Research Initiative (AFRI)	201223090-03	Univ of Cal-Davis
10.310	I	N	16,144	Agriculture and Food Research Initiative (AFRI)	238371A	Univ of Oregon
10.310	I	N	3,697	Agriculture and Food Research Initiative (AFRI)	25-6238-0581-002	Univ of Nebraska-Lincoln
10.310	I	N	199,796	Agriculture and Food Research Initiative (AFRI)	25-6239-0235-305	Univ of Nebraska-Lincoln
10.310	I	N	134,431	Agriculture and Food Research Initiative (AFRI)	25574 2011-67003-30228	Univ of Delaware
10.310	I	N	11,600	Agriculture and Food Research Initiative (AFRI)	320709-19071	Virginia Polytechnic Inst
10.310	I	N	79,643	Agriculture and Food Research Initiative (AFRI)	416-40-90B / PO#139528223	Iowa State Univ
10.310	I	N	63,253	Agriculture and Food Research Initiative (AFRI)	422192-19071	Virginia Polytechnic Inst
10.310	I	N	15,870	Agriculture and Food Research Initiative (AFRI)	422370-19071	Virginia Polytechnic Inst
10.310	I	N	1,178	Agriculture and Food Research Initiative (AFRI)	545892-19071	Virginia Polytechnic Inst
10.310	I	N	6,287	Agriculture and Food Research Initiative (AFRI)	562981/PO#3175200	Univ of Pennsylvania
10.310	I	N	64,471	Agriculture and Food Research Initiative (AFRI)	62524-9497	Cornell Univ
10.310	I	N	2,913	Agriculture and Food Research Initiative (AFRI)	718253-712683	Virginia Institute of Marine
10.310	I	N	61,223	Agriculture and Food Research Initiative (AFRI)	8000033673-AG	Purdue Univ
10.310	I	N	199,956	Agriculture and Food Research Initiative (AFRI)	8000053331-AG	Purdue Univ
10.310	I	N	665,535	Agriculture and Food Research Initiative (AFRI)	8500022696	Univ of Tennessee
10.310	I	N	52,727	Agriculture and Food Research Initiative (AFRI)	PROJ #3266 PO #T058583	Emory Univ
10.310	I	N	150,666	Agriculture and Food Research Initiative (AFRI)	S-000472	Univ of Cal-Riverside
10.310	I	N	4,071	Agriculture and Food Research Initiative (AFRI)	S110031	Texas A&M Univ
10.310	I	N	1,198	Agriculture and Food Research Initiative (AFRI)	S14148	Kansas State Univ
10.310	I	N	718,325	Agriculture and Food Research Initiative (AFRI)	UF11102	Univ of Florida
10.310	I	N	7,251	Agriculture and Food Research Initiative (AFRI)	UM-S943	Univ of Maine
10.310	I	N	114,829	Agriculture and Food Research Initiative (AFRI)	Z552806	Univ of Maryland
10.311	I	N	54,461	Beginning Farmer and Rancher Development Program	2012-0276	Inter-Faith Food Shuttle
10.311	I	N	50,575	Beginning Farmer and Rancher Development Program	2140-2	Nat'l Ctr For Appropriate Tech
10.312	I	N	353,867	Biomass Research and Development Initiative Competitive Grants Program (BRDI)	3048109826-058	Univ of Kentucky Res. Found.
10.312	I	N	368,954	Biomass Research and Development Initiative Competitive Grants Program (BRDI)	UFSSVSVC201274	Domtar Paper Company, LLC
10.312	I	N	199,131	Biomass Research and Development Initiative Competitive Grants Program (BRDI)	UFSSVSVC201280	Domtar Paper Company, LLC
10.319	I	N	5,175	Farm Business Management and Benchmarking Competitive Grants Program	#FAR-0020967	North Dakota State Univ

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10.319	I	N	5,307	Farm Business Management and Benchmarking Competitive Grants Program	RE670-421/4943126	Univ of Georgia
10.320	I	N	64,067	Sun Grant Program	8500032072	Univ of Tennessee
10.320	I	N	24,991	Sun Grant Program	S13001	Kansas State Univ
10.500	D	N	12,425,604	Cooperative Extension Service		
10.500	I	N	14,198	Cooperative Extension Service	13-070	Univ of New Hampshire
10.500	I	N	13,670	Cooperative Extension Service	21662-05	Univ of Arkansas
10.500	I	N	23,514	Cooperative Extension Service	21663-02 PO#P0040758	Univ of Arkansas
10.500	I	N	11,507	Cooperative Extension Service	21663-17 PO#P0040669	Univ of Arkansas
10.500	I	N	7,146	Cooperative Extension Service	21663-19 PO#P0040668	Univ of Arkansas
10.500	I	N	33,825	Cooperative Extension Service	25-6329-0059-809	Univ of Nebraska-Lincoln
10.500	I	N	394,643	Cooperative Extension Service	25-6365-0040-005	Univ of Nebraska-Lincoln
10.500	I	N	12,823	Cooperative Extension Service	25-6365-0040-115	Univ of Nebraska-Lincoln
10.500	I	N	10,242	Cooperative Extension Service	25-6365-0050-051	Univ of Nebraska-Lincoln
10.500	I	N	67,952	Cooperative Extension Service	26-6365-0001-407	Univ of Nebraska-Lincoln
10.500	I	N	4,839	Cooperative Extension Service	3048107987-09-439	Univ of Kentucky Res. Found.
10.500	I	N	11,734	Cooperative Extension Service	H000756404	Univ of Minnesota
10.500	I	N	17,491	Cooperative Extension Service	RE-675-167/4941466	Univ of Georgia
10.500	I	N	12,491	Cooperative Extension Service	RE582-364/4942436	Univ of Georgia
10.500	I	N	35,117	Cooperative Extension Service	RE675-167/4944396	Univ of Georgia
10.500	I	N	21,986	Cooperative Extension Service	S11218	Kansas State Univ
10.500	I	N	25,000	Cooperative Extension Service	S13081	Kansas State Univ
10.500	I	N	101,535	Cooperative Extension Service	S14018	Kansas State Univ
10.500	I	N	2,568	Cooperative Extension Service	UF-12073	Univ of Florida
10.500	I	N	12,933	Cooperative Extension Service	UF13124	Univ of Florida
10.500	I	N	1,496	Cooperative Extension Service	UTSTUNV46448	Univ of Wyoming
10.549	D	N	18,622	Rural Child Poverty Nutrition Center		
10.600	D	N	21,722	Foreign Market Development Cooperator Program		
10.652	D	N	155,185	Forestry Research		
10.664	I	N	2,807	Cooperative Forestry Assistance	RE353-420/4786576	Univ of Georgia
10.680	D	N	157,550	Forest Health Protection		
10.680	I	N	2,825	Forest Health Protection	CAES-VL-2011-02	Connecticut Agr'l Exp Station
10.681	D	N	28,849	Wood Education and Resource Center (WERC)		
10.902	D	N	7,001	Soil and Water Conservation		
10.903	D	N	93,596	Soil Survey		
10.905	D	N	3,215	Plant Materials for Conservation		
10.912	D	N	330,686	Environmental Quality Incentives Program		
10.912	I	N	69,762	Environmental Quality Incentives Program	RI-100-304-NC-State	Rodale Institute
10.960	D	N	96,627	Technical Agricultural Assistance		
10.961	D	N	21,079	Scientific Cooperation and Research		
10.962	D	N	49,969	Cochran Fellowship Program-International Training-Foreign Participant		
11	D	N	52,182	U. S. Department of Commerce		
11	I	N	38,635	U. S. Department of Commerce	CCU NO. 2012.02/SA12-CCU0	Coastal Carolina Univ
11	I	N	21,066	U. S. Department of Commerce	PO 4600232822	SC DNR
11	I	N	11,920	U. S. Department of Commerce	T7268-S120	Georgia Institute of Tech.
11	I	N	86,894	U. S. Department of Commerce	UTA13-000443	Univ of Texas-Austin
11.012	I	N	46,919	Integrated Ocean Observing System (IOOS)	IOO.11(033)NCSU.RH.MOD.3	Secoora
11.012	I	N	16,851	Integrated Ocean Observing System (IOOS)	IOOS.11(033)NCSU.LX.MOD.2	Secoora
11.012	I	N	19,732	Integrated Ocean Observing System (IOOS)	IOOS.11(033)NCSU.LX.MOD.3	Secoora
11.012	I	N	118,854	Integrated Ocean Observing System (IOOS)	IOOS.11(033)NCSU.RH.MOD.2	Secoora
11.307	D	N	44,069	Economic Adjustment Assistance		
11.307	I	N	5,016	Economic Adjustment Assistance	04-79-06686	NC Rural Econ Dev Ct

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11.417	D	N	1,860,526	Sea Grant Support		
11.417	I	N	17,891	Sea Grant Support	37573299	Univ of So. Calif. Sea Grant
11.417	I	N	27,288	Sea Grant Support	RE746-073/4942226	Univ of Georgia
11.417	I	N	6,443	Sea Grant Support	UF-12130	Univ of Florida
11.419	I	N	91,025	Coastal Zone Management Administration Awards	2012-2707	Chagrin River Watershed
11.419	I	N	16,835	Coastal Zone Management Administration Awards	5088 / PO #S1911101	Rutgers Univ
11.431	I	N	43,689	Climate and Atmospheric Research	12-2017 13540-FA93	Univ of South Carolina
11.431	I	N	1,697	Climate and Atmospheric Research	13-2322	Univ of South Carolina
11.431	I	N	1,275	Climate and Atmospheric Research	NO. NA221A-C	Oregon State Univ
11.431	I	N	190,991	Climate and Atmospheric Research	UF-EIES-1100031-NCS	Univ of Florida
11.432	I	N	11,680	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	Z763601	Univ of Maryland
11.440	D	N	180,021	Environmental Sciences, Applications, Data, and Education		
11.440	I	N	139,523	Environmental Sciences, Applications, Data, and Education	2009-1380-01	Univ of Maryland
11.440	I	N	74,459	Environmental Sciences, Applications, Data, and Education	2009-1380-02	Univ of Maryland
11.440	I	N	7,053,572	Environmental Sciences, Applications, Data, and Education	Z763701	Univ of Maryland
11.467	I	N	4,334	Meteorologic and Hydrologic Modernization Development	Z11-91838	Univ Corp Atmos Res
11.468	D	N	30,970	Applied Meteorological Research		
11.478	I	N	15,377	Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	A100517 / 24024502	Woods Hole Oceanographic Inst.
11.478	I	N	65,784	Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	A100897	Woods Hole Oceanographic Inst.
11.609	D	N	98,936	Measurement and Engineering Research and Standards		
11.609	I	N	3,979	Measurement and Engineering Research and Standards	140100153	Concurrent Technologies
11.611	D	N	2,524,052	Manufacturing Extension Partnership		
12	D	N	6,417,233	U. S. Department of Defense		
12	I	N	18,488	U. S. Department of Defense	10240.01	Soar Technology, Inc.
12	I	N	42,594	U. S. Department of Defense	111000088	Concurrent Technologies
12	I	N	144,787	U. S. Department of Defense	121219CAAW	Atherton Quantum Insight, LLC
12	I	N	61,016	U. S. Department of Defense	13-001/W911NF-12-2-0064	Cree, Inc.
12	I	N	21,092	U. S. Department of Defense	13-002	Cree, Inc.
12	I	N	10,040	U. S. Department of Defense	13-06-NCSU	CU Aerospace
12	I	N	2,600	U. S. Department of Defense	13-24	Academy of Applied Science
12	I	N	73,540	U. S. Department of Defense	14-01	Applied Mathematics, Inc.
12	I	N	4,500	U. S. Department of Defense	14-ARO-1099	Duke Univ
12	I	N	121,669	U. S. Department of Defense	17118	Advanced Cooling Technologies
12	I	N	88,996	U. S. Department of Defense	20-88172	Benedict College
12	I	N	27,634	U. S. Department of Defense	2001-NCS1309	SA Photonics
12	I	N	785	U. S. Department of Defense	2012 REAP IN STATISCS	Academy of Applied Science
12	I	N	646	U. S. Department of Defense	2012-0008	Kyma Technologies, Inc.
12	I	N	63,802	U. S. Department of Defense	2012-2080	NJ Microsystems, Inc.
12	I	N	1,547	U. S. Department of Defense	2012-2194	NLA Diagnostics, LLC
12	I	N	52,445	U. S. Department of Defense	2013-2335	Computational Sciences, LLC
12	I	N	47,949	U. S. Department of Defense	2013-2338	Agnitron Technology, Inc.
12	I	N	34,034	U. S. Department of Defense	2013-2643	NLA Diagnostics, LLC
12	I	N	30,031	U. S. Department of Defense	2014-0309	Performance Polymer Solutions
12	I	N	33,709	U. S. Department of Defense	2014-0517	Tai-Yang Research Co.
12	I	N	25,851	U. S. Department of Defense	3061-DPA-1T/NC State	Luna Innovations, Inc.
12	I	N	73,060	U. S. Department of Defense	7500-2	Hi-Z Technology Inc.
12	I	N	22,052	U. S. Department of Defense	A100953	Woods Hole Oceanographic Inst.
12	I	N	8,648	U. S. Department of Defense	CW197748 PO# DP1520192	E. I. Dupont
12	I	N	80,224	U. S. Department of Defense	FA8750-13-C-0167	Securborator, Inc.
12	I	N	93,807	U. S. Department of Defense	PO NO.: 4400324500	Raytheon
12	I	N	39,158	U. S. Department of Defense	PORD212018	Fulcrum IT Services, LLC

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12	I	N	103,063	U. S. Department of Defense	RES508103	Case W. Reserve Univ
12	I	N	410	U. S. Department of Defense	SA00007008	Univ Of Cal-Berkeley
12	I	N	63,889	U. S. Department of Defense	SC-NCSU-3207	Performance Polymer Solutions
12	I	N	234,180	U. S. Department of Defense	SP3877	TNO Innovation For Life
12	I	N	46,722	U. S. Department of Defense	TUL-571-08/09	Tulane Univ
12	I	N	163,210	U. S. Department of Defense	W912HQ-11-C-0058	Strategic Envir Rsch & Dev Pgm
12.002	D	N	356,369	Procurement Technical Assistance For Business Firms		
12.300	D	N	2,485,047	Basic and Applied Scientific Research		
12.300	I	N	86	Basic and Applied Scientific Research	07-S130735	Texas A&M Univ
12.300	I	N	12,931	Basic and Applied Scientific Research	07-S140728	Texas A&M Univ
12.300	I	N	1,265	Basic and Applied Scientific Research	421-20-30	Iowa State Univ
12.300	I	N	10,204	Basic and Applied Scientific Research	549001	Texas A&M Univ
12.300	I	N	13,227	Basic and Applied Scientific Research	AE-5-51182	Oklahoma State Univ
12.300	I	N	26,580	Basic and Applied Scientific Research	KK8154	Univ of Cal-Santa Barbara
12.300	I	N	836,409	Basic and Applied Scientific Research	W9126G-12-2-0051	Co-Op Ecosystem Studies Unit
12.351	D	N	539,558	Basic Scientific Research-Combating Weapons of Mass Destruction		
12.357	I	N	38,173	ROTC Language and Culture Training Grants	2012-GO-NCSTATE	Institute of Int'l Education
12.357	I	N	372,976	ROTC Language and Culture Training Grants	2013-GO-NCSU	Institute of Int'l Education
12.360	D	N	183,567	Research on Chemical and Biological Defense		
12.420	D	N	190,026	Military Medical Research and Development		
12.431	D	N	6,319,221	Basic Scientific Research		
12.431	I	N	177,654	Basic Scientific Research	4020-NCSU-USA-0525	Pennsylvania State Univ
12.431	I	N	17,889	Basic Scientific Research	4104-39127	Purdue Univ
12.431	I	N	119,303	Basic Scientific Research	515120	Columbia Univ
12.431	I	N	94,941	Basic Scientific Research	5710003334	Mass. Inst. Of Tech.
12.431	I	N	213,612	Basic Scientific Research	GC1641	Gridco Systems
12.431	I	N	16,963	Basic Scientific Research	SA1107012	Univ of Arkansas
12.579	I	N	744,361	Language Training Center	2012-LTC-NCSU	Institute of Int'l Education
12.579	I	N	791,830	Language Training Center	2013-LTC-NCSU	Institute of Int'l Education
12.630	I	N	69,617	Basic, Applied, and Advanced Research in Science and Engineering	4056-NCSU-BBN-0053 YR4	Pennsylvania State Univ
12.630	I	N	26,597	Basic, Applied, and Advanced Research in Science and Engineering	4056-NCSU-BBN-0053 YR5	Pennsylvania State Univ
12.630	I	N	217,605	Basic, Applied, and Advanced Research in Science and Engineering	W9132T-11-2-0007	Co-Op Ecosystem Studies Unit
12.800	D	N	1,597,306	Air Force Defense Research Sciences Program		
12.800	I	N	57,651	Air Force Defense Research Sciences Program	10008276-NCSU	Bowling Green State Univ
12.800	I	N	4,732	Air Force Defense Research Sciences Program	1590-NCSU	Scientific Systems Co. Inc.
12.800	I	N	11,266	Air Force Defense Research Sciences Program	20140179	Nat'l Ctr For Defense Manufact
12.800	I	N	77,462	Air Force Defense Research Sciences Program	26473	Univ of Delaware
12.800	I	N	49,272	Air Force Defense Research Sciences Program	4104-34945	Purdue Univ
12.800	I	N	105,056	Air Force Defense Research Sciences Program	421-20-31B	Iowa State Univ
12.800	I	N	191,021	Air Force Defense Research Sciences Program	450169-19071	Virginia Polytechnic Inst
12.800	I	N	2,590	Air Force Defense Research Sciences Program	5011-NCSU-AFOSR-0067	Pennsylvania State Univ
12.800	I	N	4,300	Air Force Defense Research Sciences Program	800002123-01	Florida Int'l Univ
12.800	I	N	89,923	Air Force Defense Research Sciences Program	800002123-02	Florida Int'l Univ
12.800	I	N	66,037	Air Force Defense Research Sciences Program	GG11221-133958	Univ of Virginia
12.800	I	N	84,148	Air Force Defense Research Sciences Program	GG11604-141694	Univ of Virginia
12.800	I	N	118,508	Air Force Defense Research Sciences Program	RSC12035	Univ of Dayton
12.900	D	N	113,853	Language Grant Program		
12.901	D	N	278,885	Mathematical Sciences Grants Program		
12.910	D	N	1,228,321	Research and Technology Development		
12.910	I	N	181,526	Research and Technology Development	489887	Univ of Toronto
12.910	I	N	1,807	Research and Technology Development	4912065920.0	IBM

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12.910	I	N	39,349	Research and Technology Development	G2457-1	Colorado State Univ
14	I	N	74	U. S. Department of Housing and Urban Development	2013-5-35 MBE	A.P. Sloan Found.
14.703	I	N	60,834	Sustainable Communities Regional Planning Grant Program	2014-0675	Appalachian Sust. Agr'l Proj
14.906	D	N	270,374	Healthy Homes Technical Studies Grants		
15	D	N	315,751	U. S. Department of Interior		
15	I	N	6,249	U. S. Department of Interior	2012-000069	Puerto Rico DENR
15	I	N	24,814	U. S. Department of Interior	2012-05044-02	Univ of Illinois
15	I	N	24	U. S. Department of Interior	CJC2006-2012-SVS-2	Louis Berger Group, Inc.
15	I	N	29,601	U. S. Department of Interior	P010144198	Leidos, Inc (Formerly SAIC)
15.232	D	N	167,718	Wildland Fire Research and Studies Program		
15.406	D	N	35,512	National Park Service Centennial Challenge.		
15.605	I	N	17,203	Sport Fish Restoration Program	2009-001483-B	Puerto Rico DENR
15.605	I	N	205,863	Sport Fish Restoration Program	2014-000065 A	Puerto Rico DENR
15.608	D	N	38,646	Fish and Wildlife Management Assistance		
15.611	I	N	64,595	Wildlife Restoration and Basic Hunter Education	2014-000005	Puerto Rico DENR
15.611	I	N	98,339	Wildlife Restoration and Basic Hunter Education	2014-000005-A	Puerto Rico DENR
15.611	I	N	132,455	Wildlife Restoration and Basic Hunter Education	2014-000111	Puerto Rico DENR
15.630	D	N	4,596	Coastal Program		
15.637	I	N	15,959	Migratory Bird Joint Ventures	080300.331304.01	Mississippi State Univ
15.637	I	N	22,160	Migratory Bird Joint Ventures	191000.33131.08	Mississippi State Univ
15.650	D	N	59,988	Research Grants (Generic)		
15.657	D	N	19,420	Endangered Species Conservation-Recovery Implementation Funds		
15.660	D	N	689	Endangered Species-Candidate Conservation Action Funds		
15.663	I	N	9,840	National Fish and Wildlife Foundation	4966-NCSU-USFWS-2215	Pennsylvania State Univ
15.664	I	N	47,428	Fish and Wildlife Coordination and Assistance Programs	2011-11	Wildlife Mgmt Inst
15.669	D	N	43,072	Cooperative Landscape Conservation		
15.805	D	N	11,607	Assistance to State Water Resources Research Institutes		
15.808	D	N	25,028	U. S. Geological Survey-Research and Data Collection		
15.810	D	N	4,833	National Cooperative Geologic Mapping Program		
15.812	D	N	1,598,085	Cooperative Research Units Program		
15.820	D	N	859,645	National Climate Change and Wildlife Science Center		
15.945	D	N	151,790	Cooperative Research and Training Programs-Resources of the National Park System		
15.954	D	N	19,912	National Park Service Conservation, Protection, Outreach, and Education		
15.979	D	N	9,981	Hurricane Sandy Program		
16	D	N	363,835	U. S. Department of Justice		
16.525	D	N	25,111	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus		
16.560	D	N	144,969	National Institute of Justice Research, Evaluation, and Development Project Grants		
16.726	I	N	56,864	Juvenile Mentoring Program	2012-JU-FX-0016	National 4-H Council
16.726	I	N	645	Juvenile Mentoring Program	554949 ALLEN, K.	National 4-H Council
16.726	I	N	72,262	Juvenile Mentoring Program	NMP III-334	National 4-H Council
17.259	I	Y	223	ARRA - WIA Youth Activities	2009-1911	Northeast Workforce Dev Bd
19.400	I	N	94,374	Academic Exchange Programs-Graduate Students	2014-0931	Institute of Int'l Education
20	D	N	189,194	U. S. Department of Transportation		
20	I	N	136,410	U. S. Department of Transportation	13-025	Triangle Transit Authority
20	I	N	7,996	U. S. Department of Transportation	13568	Kittelson & Associates, Inc.
20	I	N	60,192	U. S. Department of Transportation	17264	Kittelson & Associates, Inc.
20	I	N	356	U. S. Department of Transportation	2012-2940	Triangle Transit Authority
20	I	N	21,542	U. S. Department of Transportation	3521-NCSU-S	The Cadmus Group, Inc
20	I	N	837	U. S. Department of Transportation	4300271603	NC State Ports Authority

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20	I	N	4,649	U. S. Department of Transportation	CKB1059A-2012-SVS-1	Louis Berger Group, Inc.
20	I	N	8,598	U. S. Department of Transportation	CKB1059B-2012-SVS-2	Louis Berger Group, Inc
20	I	N	69,737	U. S. Department of Transportation	HR 09-50	Nat'l Acad. of Sci.
20	I	N	160,464	U. S. Department of Transportation	HR 09-54	Nat'l Acad. of Sci.
20	I	N	42,341	U. S. Department of Transportation	HR09-54/163513-1005/SUB0000261	Nat'l Acad. of Sci.
20	I	N	91,619	U. S. Department of Transportation	P010142080	SAIC
20	I	N	27,380	U. S. Department of Transportation	S-001986-NCSU-00 14-00560	Applied Research Assoc.
20	I	N	16,823	U. S. Department of Transportation	UF-EIES-1200025-NCS / TO1	Univ of Florida
20	I	N	7,574	U. S. Department of Transportation	UF-EIES-1200025-NCS / TO9	Univ of Florida
20	I	N	41,431	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO#3	Univ of Florida
20	I	N	62,573	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO#5	Univ of Florida
20	I	N	6,265	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO#6	Univ of Florida
20	I	N	9,506	U. S. Department of Transportation	UF-EIES-1200025-NCS /TO10	Univ of Florida
20	I	N	68,836	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO#2	Univ of Florida
20	I	N	16,006	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO#4	Univ of Florida
20	I	N	4,464	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO11	Univ of Florida
20	I	N	35,688	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO12	Univ of Florida
20	I	N	6,136	U. S. Department of Transportation	UF-EIES-1200025-NCS/TO7	Univ of Florida
20.200	D	N	27,367	Highway Research and Development Program		
20.200	I	N	10,944	Highway Research and Development Program	437K135	Univ of Wisconsin
20.205	I	N	33,010	Highway Planning and Construction	11-026	Univ of New Hampshire
20.205	I	N	97,895	Highway Planning and Construction	2010-2071	City of Durham
20.205	I	N	99,264	Highway Planning and Construction	2010-2076/PO#25864	City of Raleigh
20.205	I	N	1,086	Highway Planning and Construction	476360 00002	Texas A&M Research Found.
20.205	I	N	261	Highway Planning and Construction	553206 HUEGY., J.	City of Durham
20.205	I	N	261	Highway Planning and Construction	PO #15179	City of Raleigh
20.313	D	N	174,011	Railroad Research and Development		
20.701	I	N	32,724	University Transportation Centers Program	5893-Z9600001	Univ of Maryland, College Park
20.701	I	N	50,748	University Transportation Centers Program	Z981001	Univ of Maryland
20.761	I	N	117,166	Biobased Transportation Research	8500014161	Univ of Tennessee
20.761	I	N	59,200	Biobased Transportation Research	8500022312	Univ of Tennessee
20.761	I	N	60,943	Biobased Transportation Research	8500022318	Univ of Tennessee
20.761	I	N	28,252	Biobased Transportation Research	8500022319	Univ of Tennessee
20.761	I	N	667	Biobased Transportation Research	S12260	Kansas State Univ
42	I	N	7,312	Library of Congress	08A031.90	Illinois State Univ
42	I	N	4,984	Library of Congress	14A075.001	Illinois State Univ
43	D	N	1,129,809	National Aeronautics and Space Administration		
43	I	N	37,049	National Aeronautics and Space Administration	1008-1	X-Wave Innovations, Inc.
43	I	N	41,354	National Aeronautics and Space Administration	2011-0259	NC SMT Educ Ctr
43	I	N	100,608	National Aeronautics and Space Administration	2012-1749	Intelligent Fiber Optic System
43	I	N	14,037	National Aeronautics and Space Administration	99-01	Sys Mat'l Res Corp
43	I	N	38,398	National Aeronautics and Space Administration	NCSU-03-01-2892-NC	Nat'l Inst. of Aerospace
43	I	N	149,828	National Aeronautics and Space Administration	NCSU-03-01-3771-009-NC154	Nat'l Inst. of Aerospace
43	I	N	40,567	National Aeronautics and Space Administration	NCSU-03-01-4740-017-NC	Nat'l Inst. of Aerospace
43	I	N	36,172	National Aeronautics and Space Administration	NCSU-03-01-4740-018-NC	Nat'l Inst. of Aerospace
43	I	N	34,474	National Aeronautics and Space Administration	NCSU-03-01-4740-021-NC	Nat'l Inst. of Aerospace
43	I	N	11,644	National Aeronautics and Space Administration	NCSU-03-01-4740-023-NC	Nat'l Inst. of Aerospace
43	I	N	11,689	National Aeronautics and Space Administration	NCSU-03-01-4740-024-NC	Nat'l Inst. of Aerospace
43	I	N	31,742	National Aeronautics and Space Administration	NCSU-03-01-4770-001-NC	Nat'l Inst. of Aerospace
43	I	N	114,235	National Aeronautics and Space Administration	NCSU-0301-3771-010-NC	Nat'l Inst. of Aerospace
43	I	N	91,173	National Aeronautics and Space Administration	USM-GR04146-003	Univ of Southern Mississippi

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43	I	N	33,603	National Aeronautics and Space Administration	X13-7097-NC	Nat'l Inst. of Aerospace
43.001	D	N	366,601	Science		
43.001	I	N	75,842	Science	13305	Univ of Massachusetts
43.001	I	N	7,838	Science	G02-13066C	Smithsonian Astrophys Observ
43.001	I	N	95,633	Science	G03-14076A	Smithsonian Astrophys Observ
43.001	I	N	16,843	Science	GRT00021391	Ohio State Univ
43.001	I	N	55,268	Science	NCC9-58-593-/PF02601	NSBRI
43.001	I	N	61,011	Science	RR100-633/4944176	Univ of Georgia
43.002	D	N	70,671	Aeronautics		
43.008	D	N	892	Education		
43.009	D	N	195,174	Cross Agency Support		
45	I	N	4,138	Federal Council on the Arts and the Humanities	4434	South Arts
45	I	N	4,290	Federal Council on the Arts and the Humanities	4465	South Arts
45	I	N	41,703	Federal Council on the Arts and the Humanities	ElviraVilchesFellowship	Brown Univ
45	I	N	50,000	Federal Council on the Arts and the Humanities	JohnWallFellowship	Nat'l Humanities Ctr
45.129	I	N	76,671	Promotion of the Humanities-Federal/State Partnership	2013-0775	Friedrich Schiller Univ
45.161	D	N	23,781	Promotion of the Humanities-Research		
45.163	D	N	104,831	Promotion of the Humanities-Professional Development		
45.312	D	N	59,851	National Leadership Grants		
45.312	I	N	18,864	National Leadership Grants	LG-0710-0235-10	Inst Of Museum & Lib Svcs
47	D	N	1,235,129	National Science Foundation		
47	I	N	5,175	National Science Foundation	0833076	Stevens Inst Of Tech
47	I	N	705	National Science Foundation	1138814	Council Of Graduate Schools
47	I	N	3,503	National Science Foundation	2013-1356	American Sociological Assoc
47	I	N	153,614	National Science Foundation	55800-8949	Cornell Univ
47	I	N	13,414	National Science Foundation	C602	South Carolina Sea Grant Cnstr
47	I	N	55,637	National Science Foundation	C802	South Carolina Sea Grant Cnstr
47	I	N	2,985	National Science Foundation	Cureee Subcontract #4	Curee
47.041	D	N	16,258,380	Engineering Grants		
47.041	I	N	4,456	Engineering Grants	2009-1212	Valencell Inc.
47.041	I	N	25,382	Engineering Grants	2012-1274	Physical Devices LLC
47.041	I	N	43,135	Engineering Grants	2012-2904	Advanced Hydrogen Technologies
47.041	I	N	3,032	Engineering Grants	2013-0749	Altaeros Engeries
47.041	I	N	67,499	Engineering Grants	2013-1433	Isthmus Biosciences, Inc.
47.041	I	N	48,867	Engineering Grants	2013-3031	Biomason, Inc.
47.041	I	N	5,201	Engineering Grants	554442 SAVELIEV, A.	Innovative Energy Solutions
47.049	D	N	8,492,279	Mathematical and Physical Sciences		
47.049	I	N	722,497	Mathematical and Physical Sciences	12-NSF-1029	Duke Univ
47.049	I	N	151,927	Mathematical and Physical Sciences	744903	Univ of Washington
47.049	I	N	55,600	Mathematical and Physical Sciences	CPS0000200649	Univ of Minnesota
47.049	I	N	19,309	Mathematical and Physical Sciences	PHY-0808790	American Physical Society
47.049	I	N	56,255	Mathematical and Physical Sciences	UF-EIES-13090200-NCS	Univ of Florida
47.050	D	N	2,379,322	Geosciences		
47.050	I	N	58,832	Geosciences	420-41-01A	Iowa State Univ
47.070	D	N	5,267,031	Computer and Information Science and Engineering		
47.070	D	Y	58,125	ARRA - Computer and Information Science and Engineering		
47.070	I	N	62,517	Computer and Information Science and Engineering	00008062	Univ of Cal-Berkeley
47.074	D	N	5,910,953	Biological Sciences		
47.074	I	N	12,323	Biological Sciences	0038425(011514-1)	Univ of Pittsburgh
47.074	I	N	176,930	Biological Sciences	10-NSF-1061	Duke Univ
47.074	I	N	4,550	Biological Sciences	12-NSF-1082	Duke Univ

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47.074	I	N	99,170	Biological Sciences	27169	Univ of Delaware
47.074	I	N	35,673	Biological Sciences	27184	Univ of Delaware
47.074	I	N	231,081	Biological Sciences	4101-25830 / 0822495-DBI	Purdue Univ
47.074	I	N	110,599	Biological Sciences	61406-9504	Cornell Univ
47.074	I	N	176,840	Biological Sciences	67183-10114	Cornell Univ
47.074	I	N	49,046	Biological Sciences	C14D11779(D01845)	Yale Univ
47.074	I	N	5,612	Biological Sciences	RR272-210/4895116	Univ of Georgia
47.074	I	N	100,931	Biological Sciences	UTA10-000936	Univ of Texas
47.074	I	N	1,537	Biological Sciences	Y502720	Univ of Arizona
47.075	D	N	124,963	Social, Behavioral, and Economic Sciences		
47.075	I	N	15,899	Social, Behavioral, and Economic Sciences	11-51	SUNY-Research Foundation
47.075	I	N	18,471	Social, Behavioral, and Economic Sciences	DG13-53	Assoc. For Inst. Research
47.076	D	N	7,147,710	Education and Human Resources		
47.076	I	N	15,728	Education and Human Resources	00006843	Univ of Cal-Berkeley
47.076	I	N	7,600	Education and Human Resources	007797/L13-4500066087	Univ of Cincinnati
47.076	I	N	8,658	Education and Human Resources	08-SC-NSF-1031	Duke Univ
47.076	I	N	15,754	Education and Human Resources	10055601	Utah State Univ
47.076	I	N	778	Education and Human Resources	4101-39134	Purdue Univ
47.076	I	N	305,312	Education and Human Resources	478639-19071	Virginia Polytechnic Inst
47.076	I	N	46,892	Education and Human Resources	C00032406-1	Univ of Missouri-Columbia
47.076	I	N	112,553	Education and Human Resources	DUE-1125331	Carleton College
47.076	I	N	19,124	Education and Human Resources	PRIME: DUE-1022844	Carleton College
47.076	I	N	21,249	Education and Human Resources	SA540-1022-7993	Illinois Inst. of Technology
47.078	D	N	88,608	Polar Programs		
47.079	D	N	186,684	Office of International and Integrative Activities		
47.080	D	N	215,260	Office of Cyberinfrastructure		
47.082	D	N	208,797	Trans-NSF Recovery Act Reasearch Support		
47.082	D	Y	1,305,035	ARRA - Trans-NSF Recovery Act Reasearch Support		
47.082	I	Y	11,395	ARRA - Trans-NSF Recovery Act Reasearch Support	DEB-0842364	Univ of Oklahoma
59	D	N	286,963	U. S. Small Business Administration		
59.037	D	N	3,503,665	Small Business Development Centers		
64	D	N	92,492	U. S. Department of Veterans Affairs		
66	D	N	45,507	U. S. Environmental Protection Agency		
66	I	N	14,807	U. S. Environmental Protection Agency	ParthKothiyaTraineeship	Oak Ridge Inst For Sci & Ed
66.034	D	N	1,376	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		
66.127	D	N	23,641	Southeastern U. S. Regional Targeted Watershed Initiative		
66.202	I	N	111	Congressionally Mandated Projects	1547014 (PO# 0000075043)	Univ of Colorado-Boulder
66.461	I	N	8,468	Regional Wetland Program Development Grants	1114-01	Environmental Law Inst.
66.469	I	N	15,774	Great Lakes Program	2012-06075-05 / A0131	Univ of Illinois
66.509	D	N	713,947	Science To Achieve Results (STAR) Research Program		
66.509	I	N	38,795	Science To Achieve Results (STAR) Research Program	5710003200	Mass. Inst. of Tech.
66.509	I	N	20,104	Science To Achieve Results (STAR) Research Program	C14P11828(P00361)	Yale Univ
66.509	I	N	11,500	Science To Achieve Results (STAR) Research Program	G-58003-1	Colorado State Univ
66.509	I	N	94	Science To Achieve Results (STAR) Research Program	G-58004-1	Colorado State Univ
66.514	D	N	16,221	Science To Achieve Results (STAR) Fellowship Program		
66.611	D	N	58,500	Environmental Policy and Innovation Grants		
66.714	D	N	19,569	Regional Agricultural IPM Grants		
77	D	N	309,744	Nuclear Regulatory Commission		
77	I	N	51,845	Nuclear Regulatory Commission	342-0059	Duke Univ
77.008	D	N	92,535	U. S. Nuclear Regulatory Commission Scholarship and Fellowship Program		

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81	D	N	198,851	U. S. Department of Energy		
81	I	N	105,181	U. S. Department of Energy	00042959 #00001	Battelle Energy Alliance, LLC
81	I	N	58,354	U. S. Department of Energy	00042959 #00001 ACE	Battelle Energy Alliance, LLC
81	I	N	24,311	U. S. Department of Energy	00042959 #00001 INEST	Battelle Energy Alliance, LLC
81	I	N	172,564	U. S. Department of Energy	00042959 #21	Battelle Energy Alliance, LLC
81	I	N	10,124	U. S. Department of Energy	00042959 #23	Battelle Energy Alliance, LLC
81	I	N	25,589	U. S. Department of Energy	00042959 #26	Battelle Energy Alliance, LLC
81	I	N	116,880	U. S. Department of Energy	00042959 #27	Battelle Energy Alliance, LLC
81	I	N	225,323	U. S. Department of Energy	00042959 #29	Battelle Energy Alliance, LLC
81	I	N	81,832	U. S. Department of Energy	00042959 #30	Battelle Energy Alliance, LLC
81	I	N	23,837	U. S. Department of Energy	00042959 #31	Battelle Energy Alliance, LLC
81	I	N	106,748	U. S. Department of Energy	00042959 #35	Battelle Energy Alliance, LLC
81	I	N	148,484	U. S. Department of Energy	00042959 #45	Battelle Energy Alliance, LLC
81	I	N	285,854	U. S. Department of Energy	00042959 40	Battelle Energy Alliance, LLC
81	I	N	194,970	U. S. Department of Energy	00042959 42	Battelle Energy Alliance, LLC
81	I	N	1,625	U. S. Department of Energy	00042959-00032	Idaho National Laboratory
81	I	N	103,715	U. S. Department of Energy	00042959-00048	Battelle Energy Alliance, LLC
81	I	N	2,573	U. S. Department of Energy	00042959-00050	Battelle Energy Alliance, LLC
81	I	N	21,625	U. S. Department of Energy	00042959-00052	Battelle Energy Alliance, LLC
81	I	N	6,522	U. S. Department of Energy	00042959-00053	Battelle Energy Alliance, LLC
81	I	N	12,587	U. S. Department of Energy	00042959-00055	Battelle Energy Alliance, LLC
81	I	N	80,565	U. S. Department of Energy	00042959-47	Battelle Energy Alliance, LLC
81	I	N	112,978	U. S. Department of Energy	00054/00042959	Idaho National Laboratory
81	I	N	233,507	U. S. Department of Energy	00127981	Battelle Energy Alliance, LLC
81	I	N	21,771	U. S. Department of Energy	1-340-0214113-51755L	RTI International
81	I	N	43,505	U. S. Department of Energy	1213550	Sandia National Lab
81	I	N	4,167	U. S. Department of Energy	172092-1	Los Alamos Nat'l Lab
81	I	N	22,321	U. S. Department of Energy	2014-0210	Babcock & Wilcox Mpower, Inc.
81	I	N	955	U. S. Department of Energy	2014-0672	Argonne Nat'l Lab
81	I	N	29,436	U. S. Department of Energy	242478-1	Los Alamos Nat'l Lab
81	I	N	15,839	U. S. Department of Energy	256K222	Univ of Wisconsin
81	I	N	12,177	U. S. Department of Energy	4000028105	UT Battelle, LLC
81	I	N	79,098	U. S. Department of Energy	4000040729	UT Battelle, LLC
81	I	N	48,784	U. S. Department of Energy	4000056870	UT Battelle, LLC
81	I	N	64,676	U. S. Department of Energy	4000058620	UT Battelle, LLC
81	I	N	58,767	U. S. Department of Energy	4000061675	UT Battelle, LLC
81	I	N	20,400	U. S. Department of Energy	4000086391	UT Battelle, LLC
81	I	N	24,880	U. S. Department of Energy	4000089282	UT Battelle, LLC
81	I	N	72,405	U. S. Department of Energy	4000099327	UT Battelle, LLC
81	I	N	51,664	U. S. Department of Energy	4000109736	Oak Ridge National Lab
81	I	N	11,533	U. S. Department of Energy	4000110308	UT Battelle, LLC
81	I	N	184,117	U. S. Department of Energy	4000114671	Oak Ridge National Lab
81	I	N	230,626	U. S. Department of Energy	4000114809	UT Battelle, LLC
81	I	N	8,946	U. S. Department of Energy	4000119694	UT Battelle, LLC
81	I	N	25,116	U. S. Department of Energy	4000120069	UT Battelle, LLC
81	I	N	11,845	U. S. Department of Energy	4000121049	UT Battelle, LLC
81	I	N	10,028	U. S. Department of Energy	4000121986	Oak Ridge National Lab
81	I	N	67,279	U. S. Department of Energy	400119532	GE Global Research
81	I	N	101,314	U. S. Department of Energy	4200000036-4000120386	UT Battelle, LLC
81	I	N	13,711	U. S. Department of Energy	4200000036-4000124994	UT Battelle, LLC
81	I	N	45,408	U. S. Department of Energy	4200000036-4000126315	UT Battelle, LLC

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81	I	N	26,615	U. S. Department of Energy	68393-02	Battelle Energy Alliance, LLC
81	I	N	42,975	U. S. Department of Energy	7078212	L. Berkeley Nat'l Lab
81	I	N	21,465	U. S. Department of Energy	7090112	L. Berkeley Nat'l Lab
81	I	N	39,338	U. S. Department of Energy	B606928	Lawrence Livermore Natl. Secu.
81	I	N	22,738	U. S. Department of Energy	PO 614877	Fermilab
81	I	N	31,601	U. S. Department of Energy	PO4500305158 BRIAN HIXSON	First Energy Corp (Allegheny)
81	I	N	32,874	U. S. Department of Energy	ShannonHPC	Oak Ridge Assoc. Univ
81	I	N	5,960	U. S. Department of Energy	SiSoCMembership	National Renewable Energy Lab
81	I	N	36,821	U. S. Department of Energy	XEU-0-99515-01	Alliance For Sustainable Energy
81	I	N	90,000	U. S. Department of Energy	XFA-4-23065-01	Alliance For Sustainable Energy
81	I	Y	39,866	ARRA - U. S. Department of Energy	1-340-0212662	RTI International
81	I	Y	1,497	ARRA - U. S. Department of Energy	2012-0511	Grid Logic, Inc.
81	I	Y	90,641	ARRA - U. S. Department of Energy	DE-EE-0002628	Progress Energy Carolinas
81.049	D	N	4,254,088	Office of Science Financial Assistance Program		
81.049	I	N	40,739	Office of Science Financial Assistance Program	#4030 P.O. NO: 104242	Supercon Inc.
81.049	I	N	27,577	Office of Science Financial Assistance Program	1550787/PO#1000273317	Univ of Colorado-Boulder
81.049	I	N	15,306	Office of Science Financial Assistance Program	2010-1026	Calabazas Creek Research, Inc.
81.049	I	N	1,932	Office of Science Financial Assistance Program	2012-0171	Ngimat Co.
81.049	I	N	237,087	Office of Science Financial Assistance Program	2013-0134	Muons, Incorporated
81.049	I	N	142,325	Office of Science Financial Assistance Program	2013-1608	Ngimat Co.
81.049	I	N	2,104	Office of Science Financial Assistance Program	2014-1785	Washington Univ-St Louis
81.049	I	N	244,893	Office of Science Financial Assistance Program	B6681	Texas A&M Univ
81.049	I	N	270,891	Office of Science Financial Assistance Program	WU-HT-10-09 PO: 2911086A	Washington Univ-St Louis
81.049	I	Y	959,899	ARRA - Office of Science Financial Assistance Program	4005-NCSU-DOE-1090	Pennsylvania State Univ
81.057	D	N	46,289	University Coal Research		
81.086	D	N	423,492	Conservation Research and Development		
81.086	I	N	280,114	Conservation Research and Development	400119429	GE Global Research
81.086	I	Y	43,837	ARRA - Conservation Research and Development	TJCOG-CBS-037 / 1546591	Triangle J Coun Govt
81.086	I	Y	38,501	ARRA - Conservation Research and Development	TJCOG-CBS-045	Triangle J Coun Govt
81.087	D	N	3,674,355	Renewable Energy Research and Development		
81.087	I	N	81,766	Renewable Energy Research and Development	DOE-SPEC-FE11-012	Biodiversity Research Inst.
81.089	I	N	53,671	Fossil Energy Research and Development	S388	Gas Technology Institute
81.112	D	N	221,990	Stewardship Science Grant Program		
81.113	D	N	509,832	Defense Nuclear Nonproliferation Research		
81.117	D	N	346,522	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		
81.117	I	N	130,913	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Solar America Cities	ICLEI
81.121	D	N	722,428	Nuclear Energy Research, Development and Demonstration		
81.121	I	N	57,586	Nuclear Energy Research, Development and Demonstration	00042959 #24	Battelle Energy Alliance, LLC
81.121	I	N	17,330	Nuclear Energy Research, Development and Demonstration	429329-19071	Virginia Polytechnic Inst
81.122	D	N	88,776	Electricity Delivery and Energy Reliability, Research, Development and Analysis		
81.122	D	Y	550,525	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis		
81.135	D	N	2,468,366	Advanced Research Projects Agency - Energy		
81.135	D	Y	449,627	ARRA - Advanced Research Projects Agency - Energy		
81.135	I	N	146,393	Advanced Research Projects Agency - Energy	2013-0069	Grid Logic, Inc.
81.135	I	N	170,942	Advanced Research Projects Agency - Energy	2013-0070	Tai-Yang Research Co.
81.135	I	N	114,724	Advanced Research Projects Agency - Energy	DE-AR0000327	Bio2electric, LLC
81.135	I	N	645,898	Advanced Research Projects Agency - Energy	PO 1306-0100	Hexa Tech, Inc
81.135	I	Y	129,622	ARRA - Advanced Research Projects Agency - Energy	11-001 / DE-FOA-0000288	Cree, Inc.

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84	D	N	5,080	U. S. Department of Education		
84	I	N	10,726	U. S. Department of Education	LPO-02013 L6043 Task 1	American Inst. For Research
84	I	N	6,153	U. S. Department of Education	LPO-02013 L6043 Task 2	American Inst. For Research
84	I	N	59,226	U. S. Department of Education	LPO-02013 L6043 Task 3	American Inst. For Research
84	I	N	16,266	U. S. Department of Education	R01723	Florida State Univ
84.007	D	N	389,121	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	703,762	Federal Work-Study Program		
84.038	D	N	12,869,950	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	208,489	TRIO-Student Support Services		
84.044	D	N	365,151	TRIO-Talent Search		
84.047	D	N	680,206	TRIO-Upward Bound		
84.063	D	N	22,409,693	Federal Pell Grant Program		
84.116	D	N	18,531	Fund for the Improvement of Postsecondary Education		
84.116	I	N	16,660	Fund for the Improvement of Postsecondary Education	144-907422	Univ of Wisconsin
84.133	D	N	61,690	National Institute on Disability and Rehabilitation Research		
84.200	D	N	952,869	Graduate Assistance in Areas of National Need		
84.215	D	N	16,863	Fund for the Improvement of Education		
84.268	D	N	113,572,204	Federal Direct Student Loans		
84.305	I	N	13,055	Education Research, Development and Dissemination	12-ED-1094	Duke Univ
84.305	I	N	74,047	Education Research, Development and Dissemination	22616-S2	Vanderbilt Univ
84.324	I	N	2,438	Research in Special Education	224061B	Univ Of Oregon
84.363	D	N	161,924	School Leadership		
84.366	I	N	480,992	Mathematics and Science Partnerships	553993 RAGAN, N.	Duplin County Schools
84.395	I	Y	9,766	ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	2014-0766	Wake County Public Sch. Sys.
93	D	N	703,185	U. S. Department of Health and Human Services		
93	I	N	77,597	U. S. Department of Health and Human Services	#547662 DR APPERSON	Tulane Univ
93	I	N	9,997	U. S. Department of Health and Human Services	#547663 DR SCHAL	Tulane Univ
93	I	N	34,729	U. S. Department of Health and Human Services	1-312-0213517	RTI International
93	I	N	190	U. S. Department of Health and Human Services	1-N01-CN43302-WA-21	Cornell Univ
93	I	N	24,370	U. S. Department of Health and Human Services	2012-0518	Nanovector, Inc.
93	I	N	50,457	U. S. Department of Health and Human Services	2013-2918	Family Services, Inc.
93	I	N	11,133	U. S. Department of Health and Human Services	3071-CDC-1S/NC State	Luna Innovations, Inc.
93	I	N	991	U. S. Department of Health and Human Services	337	Univ of Maryland
93	I	N	13,604	U. S. Department of Health and Human Services	5R24 HD 050821-08	Hamner Institutes
93	I	N	48,749	U. S. Department of Health and Human Services	89369 / HHSN275200900019C	Res. Fdn. For Mental Hygiene
93	I	N	84,398	U. S. Department of Health and Human Services	HHSN272201000053C	Duke Univ Medical Ctr
93	I	N	71,801	U. S. Department of Health and Human Services	LSBPO1229	Lifesource Biomedical
93	I	N	36,153	U. S. Department of Health and Human Services	P2011-0026	Childrens Hospital Los Angeles
93	I	N	20,368	U. S. Department of Health and Human Services	PO #400031414	GE Global Research
93.103	D	N	390,942	Food and Drug Administration-Research		
93.103	I	N	17,751	Food and Drug Administration-Research	13-AUFISI-360490	Auburn Univ
93.103	I	N	8,408	Food and Drug Administration-Research	13-AUFISI-360490-NCSU-2	Auburn Univ
93.103	I	N	26,942	Food and Drug Administration-Research	13-AUFISI-360490-NCSU-3	Auburn Univ
93.103	I	N	7,573	Food and Drug Administration-Research	14-AUFISI-360490-NCSU	Auburn Univ
93.103	I	N	2,597	Food and Drug Administration-Research	14-AUFISI-360490-NCSU-2	Auburn Univ
93.113	D	N	2,644,969	Environmental Health		
93.113	I	N	301,615	Environmental Health	5R01ES014065-08/NCSU	Mount Desert Island Bio Lab.
93.113	I	N	21,149	Environmental Health	T133135	Emory Univ
93.121	D	N	66,295	Oral Diseases and Disorders Research		
93.121	I	N	72,837	Oral Diseases and Disorders Research	000407304-001	Univ of Alabama

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.121	I	N	18,696	Oral Diseases and Disorders Research	P002625101	Univ of Minnesota
93.172	I	N	90,077	Human Genome Research	1440 G PA513	Univ of Cal-LA
93.242	D	N	80,075	Mental Health Research Grants		
93.243	D	N	74,235	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.262	D	N	91,267	Occupational Safety and Health Program		
93.262	I	N	3,769	Occupational Safety and Health Program	3049024962-13-107	Univ of Kentucky Res. Fnd.
93.273	D	N	578,202	Alcohol Research Programs		
93.286	D	N	632,973	Discovery and Applied Research for Technological Innovations to Improve Human Health		
93.286	I	N	1,750	Discovery and Applied Research for Technological Innovations to Improve Human Health	1548043 PO 100030517	Univ of Colorado-Boulder
93.286	I	N	123,622	Discovery and Applied Research for Technological Innovations to Improve Human Health	1550237/PO# 1000209323	Univ of Colorado-Boulder
93.310	D	N	314,625	Trans-NIH Research Support		
93.351	D	N	638,802	Research Infrastructure Programs		
93.360	D	N	590,218	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development		
93.361	D	N	115,492	Nursing Research		
93.389	D	N	19,450	National Center for Research Resources		
93.393	D	N	1,194,319	Cancer Cause and Prevention Research		
93.393	I	N	1,401	Cancer Cause and Prevention Research	10-1791/PO#30442	Univ of S. Carolina
93.393	I	N	19,069	Cancer Cause and Prevention Research	12-00223/PO# M130035149	NYU School of Medicine
93.394	D	N	476,320	Cancer Detection and Diagnosis Research		
93.396	D	N	326,400	Cancer Biology Research		
93.397	D	N	25,117	Cancer Centers Support Grants		
93.398	D	N	15,860	Cancer Research Manpower		
93.531	I	N	4,064	PPHF-Community Transformation Grants and National Dissemination and Support for Community Transformation Grants-financed solely by Prevention and Public Health Funds	2013-2900	Person County Health Dept
93.648	I	N	14,377	Child Welfare Research Training or Demonstration	E00038591-2	Univ of Missouri-Columbia
93.671	I	N	9,539	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	27574-13	Family Services, Inc.
93.701	D	Y	1,668	ARRA - Trans-NIH Recovery Act Research Support		
93.701	I	Y	157	ARRA - Trans-NIH Recovery Act Research Support	10-085	Univ of Texas
93.837	D	N	916,696	Cardiovascular Diseases Research		
93.837	I	N	19,722	Cardiovascular Diseases Research	60436087-107606-A	Stanford Univ
93.838	D	N	348,188	Lung Diseases Research		
93.846	D	N	168,703	Arthritis, Musculoskeletal and Skin Diseases Research		
93.846	I	N	49,294	Arthritis, Musculoskeletal and Skin Diseases Research	2R42AR055042-02	Cytex Therapeutics, Inc
93.847	D	N	524,808	Diabetes, Digestive, and Kidney Diseases Extramural Research		
93.847	I	N	101,930	Diabetes, Digestive, and Kidney Diseases Extramural Research	2011-0322	Theralogics, Inc.
93.847	I	N	22,261	Diabetes, Digestive, and Kidney Diseases Extramural Research	2011-1170	Nutrasorb LLC
93.847	I	N	23,531	Diabetes, Digestive, and Kidney Diseases Extramural Research	360-SUB	Cleveland Clinic
93.853	D	N	757,555	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.853	I	N	53,538	Extramural Research Programs in the Neurosciences and Neurological Disorders	11061135	Cornell Univ
93.853	I	N	27,758	Extramural Research Programs in the Neurosciences and Neurological Disorders	562300/PO#:3211818	Univ of Pennsylvania
93.855	D	N	1,373,504	Allergy, Immunology and Transplantation Research		
93.855	I	N	14,557	Allergy, Immunology and Transplantation Research	1928-11-02	Childrens Research Institute
93.855	I	N	43,634	Allergy, Immunology and Transplantation Research	2 (GG010526)	Columbia Univ
93.855	I	N	10,952	Allergy, Immunology and Transplantation Research	302-0446	Duke Univ
93.855	I	N	108,222	Allergy, Immunology and Transplantation Research	6119-1236-00-A	Univ of South Florida

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93.855	I	N	96,646	Allergy, Immunology and Transplantation Research	G-2544-1	Colorado State Univ
93.855	I	N	56,120	Allergy, Immunology and Transplantation Research	UF11263	Univ of Florida
93.859	D	N	4,353,157	Biomedical Research and Research Training		
93.859	I	N	19,799	Biomedical Research and Research Training	203-1418	Duke Univ
93.859	I	N	91,790	Biomedical Research and Research Training	3003094798	Univ of Michigan
93.859	I	N	45,319	Biomedical Research and Research Training	431745-19071	Virginia Polytechnic Inst
93.859	I	N	29,004	Biomedical Research and Research Training	5P50GM094503-02	Med College of Wisconsin
93.859	I	N	67,690	Biomedical Research and Research Training	S0182729	Univ of Cal-Santa Cruz
93.859	I	N	41,457	Biomedical Research and Research Training	UA 12-009	Univ of Alabama
93.865	D	N	351,272	Child Health and Human Development Extramural Research		
93.865	I	N	4,110	Child Health and Human Development Extramural Research	5R24 HD 050821-08	Rehabilitation Inst of Chicago
93.865	I	N	5,079	Child Health and Human Development Extramural Research	MUSC13-088	Medical Univ of South Carolina
93.866	D	N	633,157	Aging Research		
93.866	I	N	20,743	Aging Research	10-NIH-1034	Duke Univ
93.867	D	N	432,888	Vision Research		
93.867	I	N	1	Vision Research	2000745235	Johns Hopkins Univ
93.867	I	N	36,477	Vision Research	2001590661	Johns Hopkins Univ
97	I	N	85,612	U. S. Department of Homeland Security	13-215017110 FA45 PO51435	Univ of South Carolina
97.044	D	N	247,982	Assistance to Firefighters Grant		
97.104	D	N	31,068	Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program		
98	I	N	30,097	United States Agency for International Development	09-002945-54	Univ of Cal-Davis
98	I	N	20	United States Agency for International Development	2007-1200-04	Oregon State Univ
98	I	N	6,074	United States Agency for International Development	2014-0167	Icrisat
98	I	N	90,789	United States Agency for International Development	41060000-8000044265	Purdue Univ
98	I	N	40,903	United States Agency for International Development	RC100599	Michigan State Univ
98	I	N	10,895	United States Agency for International Development	RC102095 & RC102544 NCSU	Michigan State Univ
98	I	N	112,839	United States Agency for International Development	RD011G-C	Oregon State Univ
98.001	I	N	119,727	USAID Foreign Assistance for Programs Overseas	4-330-0212934	RTI International
			<u>353,577,535</u>	Total — North Carolina State University		

University of North Carolina - General Administration

12.431	D	N	185,881	Basic Scientific Research		
19.040	D	N	38,126	Public Diplomacy Programs		
64.124	D	N	392,936	All-Volunteer Force Educational Assistance		
84.334	D	N	3,569,446	Gaining Early Awareness and Readiness for Undergraduate Programs		
84.350	D	N	277,789	Transition to Teaching		
84.367	D	N	1,391,211	Improving Teacher Quality State Grants		
84.378	D	N	2,487,086	College Access Challenge Grant Program		
			<u>8,342,475</u>	Total — University of North Carolina - General Administration		

University of North Carolina at Asheville

10.310	D	N	131,637	Agriculture and Food Research Initiative (AFRI)		
10.652	D	N	446,655	Forestry Research		
10.664	D	N	21,106	Cooperative Forestry Assistance		
10.664	I	N	47,054	Cooperative Forestry Assistance	TFS-439643-1	Texas A&M Forest Svc
11.440	D	N	13,449	Environmental Sciences, Applications, Data, and Education		
15.669	D	N	518	Cooperative Landscape Conservation		
43.001	I	N	26,264	Science	16228099	Univ of Central FL
45.161	D	N	1,318	Promotion of Humanities-Research		
47.049	D	N	297,209	Mathematical and Physical Sciences		

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47.076	D	N	22,674	Education and Human Resources		
47.082	D	Y	37,882	ARRA - Trans-NSF Recovery Act Reasearch Support		
84.007	D	N	49,051	Federal Supplemental Educational Opportunity Grants		
84.015	I	N	232	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	HC12717	East-West Center
84.033	D	N	80,446	Federal Work-Study Program		
84.038	D	N	1,424,156	Federal Perkins Loan Program-Federal Capital Contributions		
84.063	D	N	5,435,315	Federal Pell Grant Program		
84.268	D	N	13,590,774	Federal Direct Student Loans		
84.379	D	N	13,160	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
			<u>21,638,900</u>	Total — University of North Carolina at Asheville		
University of North Carolina at Chapel Hill						
10	D	N	104,197	U. S. Department of Agriculture		
10	I	N	15,968	U. S. Department of Agriculture	N/A	Ch-Carrboro Sch Sys
10.001	D	N	12,808	Agricultural Research-Basic and Applied Research		
10.206	D	N	5,406	Grants for Agricultural Research-Competitive Research Grants		
10.212	I	N	35,512	Small Business Innovation Research	N/A	Innovative Educ Reso
10.253	I	N	755	Food Assistance and Nutrition Research Programs (FANRP)	62140-9609	Cornell Univ
10.310	D	N	262,717	Agriculture and Food Research Initiative (AFRI)		
10.500	I	N	-6,586	Cooperative Extension Service	24060	Univ of Arizona
10.500	I	N	6,667	Cooperative Extension Service	A004160403	Univ of Minnesota
10.500	I	N	200,047	Cooperative Extension Service	RE580-377/49405	Univ of Georgia
10.500	I	N	131	Cooperative Extension Service	RR580-375/47855	Univ of Georgia
10.902	D	N	20,155	Soil and Water Conservation		
11	D	N	279,595	U. S. Department of Commerce		
11	I	N	-64	U. S. Department of Commerce	IOOS.11(033)UNC	SECOORA-SE Coasta
11.012	I	N	-61	Integrated Ocean Observing System (IOOS)	2011-001	SURA(SE Univ Rsch)
11.012	I	N	10,471	Integrated Ocean Observing System (IOOS)	2013-001	SURA(SE Univ Rsch)
11.012	I	N	110,379	Integrated Ocean Observing System (IOOS)	IOOS.11(033)UNC	SECOORA-SE Coasta
11.303	D	N	425,796	Economic Development-Technical Assistance		
11.420	D	N	44,654	Coastal Zone Management Estuarine Research Reserves		
11.431	D	N	105,819	Climate and Atmospheric Research		
11.431	I	N	7,404	Climate and Atmospheric Research	41653/13540-FA9	Univ of South Carolina
11.431	I	N	33,171	Climate and Atmospheric Research	52157/ 13-2321	Univ of South Carolina
11.433	I	N	-176	Marine Fisheries Initiative	2299KH-UNC-01	Daupin Island Sea La
11.459	D	N	176,229	Weather and Air Quality Research		
11.463	I	N	29,531	Habitat Conservation	10012013.3888.0	Nature Conservancy
12	D	N	579,694	U. S. Department of Defense		
12	I	N	-1,926	U. S. Department of Defense	1176733	Sandia National Labs
12	I	N	1,700	U. S. Department of Defense	12084021/980402	MD Anderson Canc Ctr
12	I	N	48	U. S. Department of Defense	166125	Duke Univ Med Ctr
12	I	N	172,347	U. S. Department of Defense	2-340-0213337/8	RTI Rsch Triangle In
12	I	N	99,766	U. S. Department of Defense	206-000062	SRI International
12	I	N	-3,200	U. S. Department of Defense	25-0521-156-003	Univ of Nebraska
12	I	N	70,240	U. S. Department of Defense	313-0111	Duke Univ Med Ctr
12	I	N	76,023	U. S. Department of Defense	7000235297	MA Insti Technology
12	I	N	123,532	U. S. Department of Defense	888-11-16-04/1-	RTI Rsch Triangle In
12	I	N	629,964	U. S. Department of Defense	888-11-16-04/5-	RTI Rsch Triangle In

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12	I	N	23,677	U. S. Department of Defense	940295	MD Anderson Canc Ctr
12	I	N	3,269	U. S. Department of Defense	9920120010	Rand Corporation,Inc
12	I	N	36,860	U. S. Department of Defense	ATO-06	Banyan Systems Inc
12	I	N	7,154	U. S. Department of Defense	FA4600-12-D-900	Natl Strategic Rsch
12	I	N	114,180	U. S. Department of Defense	N/A	Impulsonic Inc
12	I	N	105,303	U. S. Department of Defense	N00014-10-C-033	Entegriion Inc
12	I	N	17,600	U. S. Department of Defense	P000015327	Serco-N America
12	I	N	29,695	U. S. Department of Defense	S-000066.00011.	Applied Research Association
12	I	N	29,396	U. S. Department of Defense	S-001460.00000.	Applied Research Association
12	I	N	300,112	U. S. Department of Defense	S-001460.00001.	Applied Research Association
12	I	N	82,640	U. S. Department of Defense	S911580	Emory Univ
12	I	N	113	U. S. Department of Defense	W81XWH-08-1-076	American Burn Association
12	I	N	3,306	U. S. Department of Defense	XWH0810683	American Burn Association
12.114	I	N	496	Collaborative Research and Development	2000457356	Johns Hopkins Univ
12.300	D	N	1,563,426	Basic and Applied Scientific Research		
12.300	I	N	40	Basic and Applied Scientific Research	4478-UNC-ONR-05	Penn State Univ
12.300	I	N	-898	Basic and Applied Scientific Research	570723	Texas A&M Univ
12.300	I	N	179,628	Basic and Applied Scientific Research	705017	Univ of Wash-Seattle
12.300	I	N	108,685	Basic and Applied Scientific Research	A100752	Woods Hole Ocea Inst
12.351	D	N	874,020	Basic Scientific Research-Combating Weapons of Mass Destruction		
12.420	D	N	2,854,711	Military Medical Research and Development		
12.420	I	N	97,197	Military Medical Research and Development	2408	Henry M Jackson Fdn
12.420	I	N	91,308	Military Medical Research and Development	313-0474	Duke Univ
12.420	I	N	110,484	Military Medical Research and Development	3139703	Duke Univ
12.420	I	N	3,686	Military Medical Research and Development	35-2005-2016-00	Univ of NE Med Ctr
12.420	I	N	73,369	Military Medical Research and Development	557297	Univ of Pennsylvania
12.420	I	N	1,496	Military Medical Research and Development	6648SC	Univ Calif San Frans
12.420	I	N	29,801	Military Medical Research and Development	806117	Henry M Jackson Fdn
12.420	I	N	111,903	Military Medical Research and Development	N/A	Allina Health Syste
12.420	I	N	9,040	Military Medical Research and Development	PO#41749/ 12-20	Univ of South Carolina
12.420	I	N	14,323	Military Medical Research and Development	S-1278-01	Geneva Foundation
12.431	D	N	2,403,865	Basic Scientific Research		
12.431	I	N	39,546	Basic Scientific Research	60154614-51142-	Stanford Univ
12.556	I	N	27,416	Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	DODEA	Harnett County School
12.630	D	N	70,616	Basic, Applied, and Advanced Research in Science and Engineering		
12.800	I	N	13	Air Force Defense Research Sciences Program	2000933690	Johns Hopkins Univ
12.800	I	N	123,912	Air Force Defense Research Sciences Program	41986	Univ of South Carolina
12.901	D	N	25,328	Mathematical Sciences Grants Program		
12.910	D	N	2,941,752	Research and Technology Development		
12.910	I	N	151,312	Research and Technology Development	450124-19467	Virginia Polytechnic Inst
14	D	N	49,175	U. S. Department of Housing and Urban Development		
14	I	N	8,523	U. S. Department of Housing and Urban Development	30060	ABT Assoc Inc
14.516	D	N	8,037	Doctoral Dissertation Research Grants		
15	D	N	682,734	U. S. Department of Interior		
15.232	D	N	105,751	Wildland Fire Research and Studies Program		
15.423	D	N	341,567	Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)		
15.668	I	N	172,464	Coastal Impact Assistance Program	AQRUNC	Houston Adv Res Ctr
15.945	D	N	2,005	Cooperative Research and Training Programs-Resources of the National Park System		

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16	D	N	146,462	U. S. Department of Justice		
16	I	N	70,054	U. S. Department of Justice	13-DOJ-1022	Duke Univ
19	I	N	656,045	U. S. Department of State	N/A	Alvarez & Associates
19.040	D	N	28,551	Public Diplomacy Programs		
19.415	D	N	212,828	Professional and Cultural Exchange Programs - Citizen Exchanges		
20	D	N	1,961,025	U. S. Department of Transportation		
20	I	N	22,230	U. S. Department of Transportation	07-UNCCH-E1	Univ of Tennessee
20	I	N	1,902	U. S. Department of Transportation	106423-712000	Mississippi Archiv Hi
20	I	N	18,400	U. S. Department of Transportation	1201259 TO 0003	Transanalytics
20	I	N	184,425	U. S. Department of Transportation	1500-004-016-CS	CDM Smith
20	I	N	389,378	U. S. Department of Transportation	38049-01	Vanasse Hangen Brust
20	I	N	52,186	U. S. Department of Transportation	38110-01	Vanasse Hangen Brust
20	I	N	1,060	U. S. Department of Transportation	ACRP A02-58/ SU	Natl Acad of Science
20	I	N	17,311	U. S. Department of Transportation	DTNH22-10-D-001	Transanalytics
20	I	N	89,382	U. S. Department of Transportation	HR 25-36	Natl Acad of Science
20	I	N	50,022	U. S. Department of Transportation	HR 3-62	Natl Acad of Science
20	I	N	110	U. S. Department of Transportation	HR-17-48	Natl Acad of Science
20	I	N	143,784	U. S. Department of Transportation	HR1763 SUB00003	Natl Acad of Science
20	I	N	60,870	U. S. Department of Transportation	N/A	Dunlap Assoc
20	I	N	104,728	U. S. Department of Transportation	SUB0000104/HR17	Natl Acad of Science
20	I	N	164,428	U. S. Department of Transportation	UF-EIES-1200008	Stride
20.200	D	N	702,707	Highway Research and Development Program		
20.205	D	N	396,903	Highway Planning and Construction		
20.701	I	N	21	University Transportation Centers Program	246431A	Univ of Oregon
42	I	N	138,987	Library of Congress	12-PO-680-00002	Smithsonian Institute
42	I	N	10,884	Library of Congress	N/A	Waynesburg Univ
43	D	N	84,176	National Aeronautics and Space Administration		
43	I	N	4,015	National Aeronautics and Space Administration	1436032	Calif Inst Technolog
43	I	N	7,383	National Aeronautics and Space Administration	1436036	Calif Inst Technolog
43	I	N	4,246	National Aeronautics and Space Administration	1472126	Calif Inst Technolog
43	I	N	4,776	National Aeronautics and Space Administration	1472138	Calif Inst Technolog
43	I	N	5,405	National Aeronautics and Space Administration	3001477342	Univ of Michigan
43	I	N	3,078	National Aeronautics and Space Administration	HST-AR-12147.01	Space Telescope Sci
43	I	N	75,952	National Aeronautics and Space Administration	N/A	Ct Advance Scien Spa
43	I	N	51,170	National Aeronautics and Space Administration	PF03003	Natl Space Biom Rsc
43	I	N	46,588	National Aeronautics and Space Administration	SUB2012-113	Univ Ala-Huntsville
43.001	D	N	156,342	Science		
43.001	I	N	4,012	Science	4973-UNCCH-NASA	Penn State Univ
43.001	I	N	722	Science	57314A P3391 78	San Diego St Univ Fdn
43.008	D	N	106,499	Education		
45	D	N	128,870	Federal Council on the Arts and the Humanities		
45.024	D	N	44,463	Promotion of the Arts-Grants to Organizations and Individuals		
45.024	I	N	13,019	Promotion of the Arts-Grants to Organizations and Individuals	202475	Arts Midwest
45.149	D	N	155,645	Promotion of the Humanities-Division of Preservation and Access		
45.161	D	N	121,994	Promotion of the Humanities-Research		
45.163	D	N	2,711	Promotion of the Humanities-Professional Development		
45.164	D	N	1,500	Promotion of the Humanities-Public Programs		
45.164	I	N	6,034	Promotion of the Humanities-Public Programs	MW-50007-12	American Bar Assoc
45.169	D	N	4,716	Promotion of the Humanities-Office of Digital Humanities		
45.301	D	N	3,369	Museums for America		
45.312	D	N	13,885	National Leadership Grants		

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45.312	I	N	17,239	National Leadership Grants	00007896/200009	Univ Calif-Berkeley
45.313	D	N	587,489	Laura Bush 21st Century Librarian Program		
47	D	N	333,909	National Science Foundation		
47	I	N	53	National Science Foundation	1003507	Tacoma Commu College
47	I	N	3,446	National Science Foundation	48709463	Univ Southern California
47	I	N	9,217	National Science Foundation	N/A	Natl Evolution Synth
47	I	N	152,513	National Science Foundation	PO#9500009445	Global Envir Network I
47.041	D	N	1,288,087	Engineering Grants		
47.041	I	N	39,843	Engineering Grants	1159-7558-206-2	Clemson Univ
47.041	I	N	25,457	Engineering Grants	33791	Univ of Delaware
47.041	I	N	149,272	Engineering Grants	N/A	Clave Biodesign
47.049	D	N	10,334,179	Mathematical and Physical Sciences		
47.049	I	N	12,350	Mathematical and Physical Sciences	08-SC-NSF-1026	Duke Univ
47.049	I	N	228,803	Mathematical and Physical Sciences	12-NSF-1027	Duke Univ
47.049	I	N	3,602	Mathematical and Physical Sciences	12-NSF-1093	Duke Univ
47.049	I	N	78,323	Mathematical and Physical Sciences	14-NSF-1022	Duke Univ
47.049	I	N	12,005	Mathematical and Physical Sciences	201556UNC	Univ of Notre Dame
47.049	I	N	46,573	Mathematical and Physical Sciences	61-2482NC	Michigan St Univ
47.049	I	N	210,861	Mathematical and Physical Sciences	744885	Univ of Washington-Seattle
47.049	I	N	24,699	Mathematical and Physical Sciences	RC100639UNC	Michigan St Univ
47.050	D	N	3,036,780	Geosciences		
47.050	I	N	-243	Geosciences	161533	Univ Southern California
47.050	I	N	36,427	Geosciences	37169010	Univ Southern California
47.050	I	N	22,098	Geosciences	8 GG002806	Columbia Univ
47.050	I	N	33,132	Geosciences	G03587/2 GG0028	Columbia Univ
47.050	I	N	7,361	Geosciences	N/A	Opendap Open Source
47.050	I	N	23,791	Geosciences	Y82253	Univ Southern California
47.050	I	N	10,437	Geosciences	Y83238	Univ Southern California
47.070	D	N	3,024,738	Computer and Information Science and Engineering		
47.070	I	N	643,109	Computer and Information Science and Engineering	1872/PO# 950001	Raytheon
47.070	I	N	42,398	Computer and Information Science and Engineering	1906/PO#9500012	Bbn Technologies
47.070	I	N	6,336	Computer and Information Science and Engineering	1939B/950001216	Raytheon
47.070	I	N	52,233	Computer and Information Science and Engineering	2013-01010-01	Univ of Ill Champaign
47.070	I	N	329	Computer and Information Science and Engineering	95000111110/ 188	Raytheon
47.070	I	N	97,644	Computer and Information Science and Engineering	9500012196	Global Envir Network I
47.070	I	N	89,931	Computer and Information Science and Engineering	PO#95000111110/1	Raytheon
47.074	D	N	6,751,028	Biological Sciences		
47.074	I	N	3,883	Biological Sciences	09-072	Univ of Alabama-Tusc
47.074	I	N	210,770	Biological Sciences	10-NSF-1060	Duke Univ
47.074	I	N	160,498	Biological Sciences	12-NSF-1081	Duke Univ
47.074	I	N	4,771	Biological Sciences	14-NSF-1070	Duke Univ
47.074	I	N	39,292	Biological Sciences	3161/200201411	Inst Ecosystem Studi
47.074	I	N	31	Biological Sciences	478778-19467	Virginia Polytechnic Inst
47.074	I	N	49,467	Biological Sciences	GA11020-142300	Univ of Virginia
47.074	I	N	47,241	Biological Sciences	RR272-210/46896	Univ of Georgia
47.074	I	N	27,925	Biological Sciences	SA0000295	San Diego St Univ
47.075	D	N	1,846,946	Social, Behavioral, and Economic Sciences		
47.075	I	N	49,611	Social, Behavioral, and Economic Sciences	10321092-SUB	Univ of California
47.076	D	N	3,452,790	Education and Human Resources		
47.076	I	N	72,458	Education and Human Resources	4691-UNCCH-NSF-	Penn State Univ
47.078	D	N	317,263	Polar Programs		

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47.079	D	N	17,974	Office of International and Integrative Activities		
47.079	I	N	19,768	Office of International and Integrative Activities	3000835643	Univ of Michigan
47.080	D	N	3,756,212	Office of Cyberinfrastructure		
47.080	I	N	30,235	Office of Cyberinfrastructure	063024-871T	Univ of New Mexico
47.080	I	N	10,994	Office of Cyberinfrastructure	10778	Univ of Arizona
47.080	I	N	-6,746	Office of Cyberinfrastructure	180K121	Univ Wisconsin
47.082	D	Y	244,014	ARRA - Trans-NSF Recovery Act Reasearch Support		
47.082	I	Y	17,473	ARRA - Trans-NSF Recovery Act Reasearch Support	3048106073-10-3	Univ of Kentucky
47.082	I	Y	-2,552	ARRA - Trans-NSF Recovery Act Reasearch Support	60443	Louisiana State Univ
47.082	I	Y	4	ARRA - Trans-NSF Recovery Act Reasearch Support	PO#9500010119	Global Envir Network I
47.082	I	Y	7,027	ARRA - Trans-NSF Recovery Act Reasearch Support	RES504243	Case Western Reserve
64	D	N	111,422	U. S. Department of Veterans Affairs		
66	D	N	3,214,937	U. S. Environmental Protection Agency		
66	I	N	29,897	U. S. Environmental Protection Agency	2013.006.01	Mid-Atlantic Reg Air
66	I	N	328,697	U. S. Environmental Protection Agency	4902-RFA10-1/11	Health Effects Inst
66	I	N	106,329	U. S. Environmental Protection Agency	4930-RFA11-2/13	Health Effects Inst
66	I	N	825	U. S. Environmental Protection Agency	EP-C-13-039	ABT Assoc Inc
66	I	N	35,232	U. S. Environmental Protection Agency	N/A	Health Effects Inst
66	I	N	-17,304	U. S. Environmental Protection Agency	PO#200706639	Mactec Federal Prog
66	I	N	875	U. S. Environmental Protection Agency	PO4-NAR403-UNC	Ec/R Inc
66.202	I	N	48,864	Congressionally Mandated Projects	4366	Water Research Fdn
66.203	D	N	224,076	Environmental Finance Center Grants		
66.424	I	N	214,253	Surveys, Studies, Investigations, Demonstrations, and Training Grants-Section 1442 of the Safe Drinking Water Act	N/A	New Mexico Mining Tec
66.509	D	N	863,436	Science To Achieve Results (STAR) Research Program		
66.511	D	N	1,516,677	Office of Research and Development Consolidated Research/Training/Fellowships		
66.514	D	N	56,730	Science To Achieve Results (STAR) Fellowship Program		
66.516	D	N	3,230	P3 Award: National Student Design Competition for Sustainability		
77	D	N	8,576	Nuclear Regulatory Commission		
81	D	N	320,542	U. S. Department of Energy		
81	I	N	-4,272	U. S. Department of Energy	119867	Battelle
81	I	N	90,078	U. S. Department of Energy	126482	Battelle Energy Alli
81	I	N	91,619	U. S. Department of Energy	3F-30721	Argonne Nat'l Labs
81	I	N	-2,103	U. S. Department of Energy	4000096612	Ut-Battelle/ORNL
81	I	N	54,690	U. S. Department of Energy	4000097399	Ut-Battelle/ORNL
81	I	N	516,180	U. S. Department of Energy	4000120148	Ut-Battelle/ORNL
81	I	N	10,736	U. S. Department of Energy	456470	Duke Energy
81	I	N	875	U. S. Department of Energy	94000	Savanah River Nuclea
81	I	N	5,153	U. S. Department of Energy	B598487	U Cal Lawrence Liver
81	I	N	3,190	U. S. Department of Energy	N/A	Krell Institute
81	I	Y	4,564	ARRA - U. S. Department of Energy	2010MCA-0410-08	Ctr Climate Strategi
81.049	D	N	3,203,425	Office of Science Financial Assistance Program		
81.049	D	Y	4,382,855	ARRA - Office of Science Financial Assistance Program		
81.049	I	N	504,816	Office of Science Financial Assistance Program	21017-NC	D.Danforth Plant Sci
81.049	I	N	224,501	Office of Science Financial Assistance Program	GQ10044-133949	Univ of Virginia
81.087	I	N	37,881	Renewable Energy Research and Development	F-2013-31	Univ of Toledo Toled
81.135	I	Y	86,598	ARRA - Advanced Research Projects Agency - Energy	0130 G QA717	Univ Cal Los Angeles
84	I	N	280,563	U. S. Department of Education	12/13-006	NC Partnership Child
84	I	N	22,114	U. S. Department of Education	40346S03620	Mathematica Pol Res
84	I	N	-1,520	U. S. Department of Education	N/A	Richmond Co School
84	I	N	211,187	U. S. Department of Education	R01615	Florida Sta

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84.007	D	N	613,199	Federal Supplemental Educational Opportunity Grants		
84.015	D	N	1,977,625	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program		
84.015	I	N	59,876	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	11-DED-1019	Duke Univ
84.015	I	N	61,206	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	12-FLAS-1103	Duke Univ Med Ctr
84.015	I	N	350,425	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	13-FLAS-1105	Duke Univ
84.022	D	N	64,192	Overseas Programs-Doctoral Dissertation Research Abroad		
84.033	D	N	1,451,050	Federal Work-Study Program		
84.038	D	N	30,077,938	Federal Perkins Loan Program-Federal Capital Contributions		
84.047	D	N	326,151	TRIO-Upward Bound		
84.063	D	N	16,715,545	Federal Pell Grant Program		
84.116	D	N	26,216	Fund for the Improvement of Postsecondary Education		
84.129	D	N	91,689	Rehabilitation Long-Term Training		
84.133	D	N	103,538	National Institute on Disability and Rehabilitation Research		
84.133	I	N	8,952	National Institute on Disability and Rehabilitation Research	000500057-003	Univ of Alabama-Birm
84.170	D	N	166,900	Javits Fellowships		
84.200	D	N	191,143	Graduate Assistance in Areas of National Need		
84.217	D	N	215,589	TRIO-McNair Post-Baccalaureate Achievement		
84.220	D	N	264,982	Centers for International Business Education		
84.268	D	N	170,498,025	Federal Direct Student Loans		
84.283	I	N	41,144	Comprehensive Centers	N/A	Education Northwest
84.305	D	N	1,958,364	Education Research, Development and Dissemination		
84.305	I	N	49,433	Education Research, Development and Dissemination	12-ED-1095	Duke Univ
84.305	I	N	21,839	Education Research, Development and Dissemination	14-ED-1108	Duke Univ
84.305	I	N	327,873	Education Research, Development and Dissemination	21372-S4	Vanderbilt Univ Med C
84.305	I	N	-7	Education Research, Development and Dissemination	4475-UNC-USDE-0	Penn State Univ
84.305	I	N	96,970	Education Research, Development and Dissemination	4876-UNCCH-USDE	Penn State Univ
84.305	I	N	16,975	Education Research, Development and Dissemination	511135	Columbia Teacher Col
84.305	I	N	22,368	Education Research, Development and Dissemination	GM10087-126361	Univ of Virginia
84.305	I	N	499,882	Education Research, Development and Dissemination	PT108483-SC1045	VA Commonwealth Univ
84.324	D	N	4,215,216	Research in Special Education		
84.324	I	N	275,053	Research in Special Education	BL-4240321-UNC	Indiana Univ
84.325	D	N	1,424,190	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.325	I	N	14,949	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	F-2012-115	Univ of Toledo Toled
84.325	I	N	21,254	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	N/A	North Hampt Comm Coll
84.326	D	N	4,411,326	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		
84.326	I	N	48,664	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	223791B	Univ of Oregon
84.326	I	N	133,097	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	51-001050	SRI International

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84.326	I	N	58,605	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	AUM-SA-001-2011	Auburn Univ
84.326	I	N	202,905	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	UKRF 3048106788	Univ of Kentucky
84.327	D	N	391,675	Special Education-Technology and Media Services for Individuals with Disabilities		
84.373	I	N	1,219,051	Special Education-Technical Assistance on State Data Collection	51-001279	SRI International
84.373	I	N	95,017	Special Education-Technical Assistance on State Data Collection	6189-S-006	Westat
84.373	I	N	489,378	Special Education-Technical Assistance on State Data Collection	FY2011-094	Univ of Kansas
84.381	D	N	19,100	Baccalaureate Degrees in Science, Technology, Engineering, Mathematics, and Critical Foreign Languages and Master's Degrees in Science, Technology, Engineering, Mathematics, and Critical Foreign Languages		
84.412	I	N	35,336	Race to the Top-Early Learning Challenge	C13-215/0000183	Delaware Early Learn
84.412	I	N	20,825	Race to the Top-Early Learning Challenge	C14-236	Delaware Early Learn
93	D	N	17,987,595	U. S. Department of Health and Human Services		
93	D	Y	58,881	ARRA - U. S. Department of Health and Human Services		
93	I	N	10,555	U. S. Department of Health and Human Services	000500918-005	Univ of Alabama-Birm
93	I	N	-15,373	U. S. Department of Health and Human Services	00663-2935.001	Amer Inst For Rsch
93	I	N	-16	U. S. Department of Health and Human Services	0080.0059/814	Family Health Intl
93	I	N	12,553	U. S. Department of Health and Human Services	0080.0144/955	Family Health Intl
93	I	N	16,388	U. S. Department of Health and Human Services	0080.0145/956	Family Health Intl
93	I	N	12,145	U. S. Department of Health and Human Services	0080.0168/966	Family Health Intl
93	I	N	52,408	U. S. Department of Health and Human Services	0080.0185/983	Family Health Intl
93	I	N	39,184	U. S. Department of Health and Human Services	0080.0207/705	Family Health Intl
93	I	N	-2,073	U. S. Department of Health and Human Services	01025813/5P01HL	Beth Israel Deacon M
93	I	N	136,168	U. S. Department of Health and Human Services	0258-3962	Mt Sinai Sch of Med
93	I	N	260,861	U. S. Department of Health and Human Services	06150-PSC-PII-T	JBS International
93	I	N	24,821	U. S. Department of Health and Human Services	06861S01686	Mathematica Pol Res
93	I	N	4,466	U. S. Department of Health and Human Services	08201.100.001	JBS International
93	I	N	967,118	U. S. Department of Health and Human Services	08800-036-00-FP	Urban Institute
93	I	N	257,290	U. S. Department of Health and Human Services	1-312-0213462	RTI Rsch Triangle In
93	I	N	141,013	U. S. Department of Health and Human Services	10-16385-99-01-	H Lee Moffitt Cancer
93	I	N	77,633	U. S. Department of Health and Human Services	10.10.90038	Hebrew Rehab Ctr
93	I	N	50,056	U. S. Department of Health and Human Services	107741	Univ Calif-San Franc
93	I	N	25,274	U. S. Department of Health and Human Services	108311	Univ Calif-San Franc
93	I	N	237,500	U. S. Department of Health and Human Services	108861	Univ Calif-San Franc
93	I	N	211,577	U. S. Department of Health and Human Services	12XS457	Leidos Biomedical
93	I	N	4,001	U. S. Department of Health and Human Services	13-3946	Xinray Systems
93	I	N	7,016	U. S. Department of Health and Human Services	13XS093	Saic-Frederick Inc
93	I	N	14,760	U. S. Department of Health and Human Services	17654	Natl Childhd Cnrc Fdn
93	I	N	-5,403	U. S. Department of Health and Human Services	178859	Duke Clinical Rsch
93	I	N	6,635	U. S. Department of Health and Human Services	179452	Duke Univ
93	I	N	31,526	U. S. Department of Health and Human Services	19836-S1	Vanderbilt Univ Med C
93	I	N	45,951	U. S. Department of Health and Human Services	1U01GH000486-SA	Infect Diseas Zambia
93	I	N	295,053	U. S. Department of Health and Human Services	2-312-0213462	RTI Rsch Triangle In
93	I	N	8,779	U. S. Department of Health and Human Services	2011120781	Group Hlth Rsc Inst
93	I	N	-437	U. S. Department of Health and Human Services	2012023582/HHSN	Wake Forest Univ
93	I	N	4,000	U. S. Department of Health and Human Services	2013-04-0425-04	Asso Matern Child Hlt
93	I	N	3,220	U. S. Department of Health and Human Services	2013028376	Wake Forest Univ
93	I	N	56,507	U. S. Department of Health and Human Services	2013156199/HHSN	Group Hlth Rsc Inst
93	I	N	38,786	U. S. Department of Health and Human Services	2032613	Duke Univ
93	I	N	52,085	U. S. Department of Health and Human Services	2032614	Duke Univ

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93	I	N	10,385	U. S. Department of Health and Human Services	2033566/HHSN268	Duke Univ
93	I	N	6,723	U. S. Department of Health and Human Services	2033764	Duke Univ Med Ctr
93	I	N	-10	U. S. Department of Health and Human Services	220187	Mass Gen Hosp
93	I	N	-99	U. S. Department of Health and Human Services	24982	ABT Assoc Inc
93	I	N	27,247	U. S. Department of Health and Human Services	25051-08-381	La Jolla Ins Allergy
93	I	N	47,233	U. S. Department of Health and Human Services	28	Natl Enviro Hlt Asso
93	I	N	308,614	U. S. Department of Health and Human Services	29XS126/A59101	Leidos Biomedical
93	I	N	-6,200	U. S. Department of Health and Human Services	29XS126/A62138	Saic-Frederick Inc
93	I	N	10,089	U. S. Department of Health and Human Services	3-312-0213462/8	RTI Rsch Triangle In
93	I	N	3,630	U. S. Department of Health and Human Services	3-N01-HC-95170	Jackson State Univ
93	I	N	62,821	U. S. Department of Health and Human Services	3001141253	Univ of Michigan
93	I	N	84,186	U. S. Department of Health and Human Services	3002-082	Carter Consulting
93	I	N	83,973	U. S. Department of Health and Human Services	30305	Wake Forest Univ
93	I	N	623	U. S. Department of Health and Human Services	3036656/131860	Duke Univ Med Ctr
93	I	N	17,146	U. S. Department of Health and Human Services	310288	Albert Einstein Coll
93	I	N	45,686	U. S. Department of Health and Human Services	3210515144	Hospital Sick Childr
93	I	N	5,999	U. S. Department of Health and Human Services	328	Univ MD-Baltimore
93	I	N	54,248	U. S. Department of Health and Human Services	33	Natl Enviro Hlt Asso
93	I	N	9,363	U. S. Department of Health and Human Services	33001	Wake Forest Univ
93	I	N	-1,448	U. S. Department of Health and Human Services	383-4542	Duke Univ
93	I	N	2,464	U. S. Department of Health and Human Services	40-4113/UNC-3	Nat Bureau Econ Res
93	I	N	16,689	U. S. Department of Health and Human Services	40142S03133	Mathematica Pol Res
93	I	N	3,688	U. S. Department of Health and Human Services	40283S03546	Mathematica Pol Res
93	I	N	-3,215	U. S. Department of Health and Human Services	431630-19467	Virginia Polytechnic Inst
93	I	N	13,530	U. S. Department of Health and Human Services	451	Assc Univ Ctr Disab
93	I	N	420	U. S. Department of Health and Human Services	4549	Mcking Consult Corp
93	I	N	6,846	U. S. Department of Health and Human Services	5-20560	Scripps Resch Inst
93	I	N	48,298	U. S. Department of Health and Human Services	5-312-0213462-5	RTI Rsch Triangle In
93	I	N	14,011	U. S. Department of Health and Human Services	5-50682	Scripps Resch Institu
93	I	N	-1,424	U. S. Department of Health and Human Services	5-P01-HL087203-	Beth Israel Deacon M
93	I	N	128,653	U. S. Department of Health and Human Services	5006842 SERV	Tufts Univ
93	I	N	47,541	U. S. Department of Health and Human Services	576652	Univ of Wash-Seattle
93	I	N	7,622	U. S. Department of Health and Human Services	5U10 HD040492	Duke Univ
93	I	N	45,888	U. S. Department of Health and Human Services	6-312-0213462-5	RTI Rsch Triangle In
93	I	N	27,933	U. S. Department of Health and Human Services	60032976-UMN	Northwestern U Traf
93	I	N	5,000	U. S. Department of Health and Human Services	63111	RTI Rsch Triangle In
93	I	N	37,911	U. S. Department of Health and Human Services	632369	Jackson State Univ
93	I	N	133,038	U. S. Department of Health and Human Services	66102700414-04U	Univ Miss Med Ctr
93	I	N	43,257	U. S. Department of Health and Human Services	6671S00150	Mathematica Pol Res
93	I	N	31,045	U. S. Department of Health and Human Services	7-312-0213462-5	RTI Rsch Triangle In
93	I	N	267,718	U. S. Department of Health and Human Services	724840	Fred Hutchinsn Can
93	I	N	7,636	U. S. Department of Health and Human Services	758997	Univ of Wash-Seattle
93	I	N	105,126	U. S. Department of Health and Human Services	8-49462	Mcmaster Univ
93	I	N	-5,934	U. S. Department of Health and Human Services	8502-90010-6	Johns Hopkins Univ
93	I	N	168,441	U. S. Department of Health and Human Services	861/0080.0016	Family Health Intl
93	I	N	656	U. S. Department of Health and Human Services	888-11-16-04	RTI Rsch Triangle In
93	I	N	479,332	U. S. Department of Health and Human Services	888-11-16-04 1-	RTI Rsch Triangle In
93	I	N	218	U. S. Department of Health and Human Services	888-11-16-04/2-	RTI Rsch Triangle In
93	I	N	175,517	U. S. Department of Health and Human Services	8977-S-003	Westat
93	I	N	61,905	U. S. Department of Health and Human Services	9-312-0212791-5	RTI Rsch Triangle In
93	I	N	39,466	U. S. Department of Health and Human Services	9-312-0212791/8	RTI Rsch Triangle In

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93	I	N	5,167	U. S. Department of Health and Human Services	9-526-1660	Albert Einstein Coll
93	I	N	41,829	U. S. Department of Health and Human Services	951193RSUB	Children's Hosp Phil
93	I	N	8,850	U. S. Department of Health and Human Services	960475RSUB	Children's Hosp Phil
93	I	N	-1,416	U. S. Department of Health and Human Services	972	Family Health Intnl
93	I	N	26,725	U. S. Department of Health and Human Services	972/0080.0174	Family Health Intnl
93	I	N	38,963	U. S. Department of Health and Human Services	987.02935.003	Amer Inst For Rsch
93	I	N	195,519	U. S. Department of Health and Human Services	A56711/29XS126	Leidos Biomedical
93	I	N	587,500	U. S. Department of Health and Human Services	A56768/29XS126	Leidos Biomedical
93	I	N	21,009	U. S. Department of Health and Human Services	A115416	Univ Calif-San Franc
93	I	N	138,073	U. S. Department of Health and Human Services	CA098543	Children's Hosp Phil
93	I	N	1,000	U. S. Department of Health and Human Services	CRB-UCLA1-S-10-	Social & Scientific
93	I	N	5,591	U. S. Department of Health and Human Services	DD000761	Am Thromb Hemo Netw
93	I	N	33	U. S. Department of Health and Human Services	DK063455	Univ of Michigan
93	I	N	139	U. S. Department of Health and Human Services	FD003516	Boston Univ
93	I	N	12,508	U. S. Department of Health and Human Services	FP00013013-SUB3	Children's Hosp Phil
93	I	N	167,806	U. S. Department of Health and Human Services	FY12.219.003/2-	Univ of Colorado
93	I	N	75,515	U. S. Department of Health and Human Services	GLNE 010	Univ of Michigan
93	I	N	17,820	U. S. Department of Health and Human Services	GS 23F-0024M	Hager Sharp Inc
93	I	N	7,420	U. S. Department of Health and Human Services	HD040492	Duke Univ Med Ctr
93	I	N	-3,424	U. S. Department of Health and Human Services	HHSD2002009F310	Scimetrika
93	I	N	-35	U. S. Department of Health and Human Services	HHSN26120062200	H Lee Moffitt Cancer
93	I	N	2,906	U. S. Department of Health and Human Services	HL27520	Duke Univ
93	I	N	35,397	U. S. Department of Health and Human Services	M60-NC-075-1101	Inst Clinical Rsch
93	I	N	9,114	U. S. Department of Health and Human Services	MH090833	Brain Plasticity
93	I	N	1,763,982	U. S. Department of Health and Human Services	N/A	Academyhealth
93	I	N	30	U. S. Department of Health and Human Services	N01-WH-4-4221/3	Wake F Univ Sch Med
93	I	N	14,080	U. S. Department of Health and Human Services	NS026835	Emmes Corporation
93	I	N	5,355	U. S. Department of Health and Human Services	PHR-SSS-P-13-00	Social & Scientific
93	I	N	12,177	U. S. Department of Health and Human Services	PHR-SSS-S-13-00	Social & Scientific
93	I	N	217	U. S. Department of Health and Human Services	PHR-SUPS2-S-11-	Social & Scientific
93	I	N	19,896	U. S. Department of Health and Human Services	PO 1568 G NA643	Emmes Corporation
93	I	N	109,959	U. S. Department of Health and Human Services	PO# 7810-96242	Johns Hopkins Univ
93	I	N	73	U. S. Department of Health and Human Services	PO# V399454/Y43	Univ of Arizona
93	I	N	-3	U. S. Department of Health and Human Services	PO#3416088/2057	Mass Gen Hosp
93	I	N	68,837	U. S. Department of Health and Human Services	PO#P0007321/N01	Jackson State Univ
93	I	N	1,541	U. S. Department of Health and Human Services	PROTOCOL 0903 P	Nat Marrow Donor Prg
93	I	N	92	U. S. Department of Health and Human Services	S683870	Emory Univ
93	I	N	58	U. S. Department of Health and Human Services	S722093	Emory Univ
93	I	N	-89	U. S. Department of Health and Human Services	SR00002217	Univ MD-Baltimore
93	I	N	43,796	U. S. Department of Health and Human Services	TFED29-117	NSABP Fdn
93	I	N	4,425	U. S. Department of Health and Human Services	U01DK065176	Duke Univ Med Ctr
93	I	N	945	U. S. Department of Health and Human Services	U10CA095861	Children's Hosp Phil
93	I	N	20,482	U. S. Department of Health and Human Services	UNC 01/HHSN2712	Feinstein Inst Med R
93	I	N	351,766	U. S. Department of Health and Human Services	UNC-14005-002-0	Advan Bioscience Lab
93	I	N	-14	U. S. Department of Health and Human Services	US001-000025616	Battelle
93	I	Y	-43	ARRA - U. S. Department of Health and Human Services	10ST1086	Saic-Frederick Inc
93	I	Y	90,783	ARRA - U. S. Department of Health and Human Services	12XS457	Leidos Biomedical
93	I	Y	51,537	ARRA - U. S. Department of Health and Human Services	13XS132ST	Saic-Frederick Inc
93	I	Y	379	ARRA - U. S. Department of Health and Human Services	5-312-0210837	RTI
93	I	Y	-2,776	ARRA - U. S. Department of Health and Human Services	CRB-DCR01-S-09-	Social & Scientific
93	I	Y	5,361	ARRA - U. S. Department of Health and Human Services	X13-1092/PO13ST	Saic-Frederick Inc

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93.043	I	N	16,637	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	M60-NC-075-1101	Inst Clinical Rsch
93.051	D	N	24,391	Alzheimer's Disease Demonstration Grants to States		
93.061	D	N	415,726	Innovations in Applied Public Health Research		
93.067	D	N	2,315,916	Global AIDS		
93.067	I	N	2,537,519	Global AIDS	41991	Infect Diseas Zambia
93.067	I	N	973,062	Global AIDS	N/A	Uni Malawi Colle Med
93.068	I	N	83,058	Chronic Diseases: Research, Control, and Prevention	N/A	Arthritis Fdn
93.069	D	N	167,545	Public Health Emergency Preparedness		
93.073	D	N	1,184,804	Birth Defects and Developmental Disabilities-Prevention and Surveillance		
93.077	D	N	4,020,584	Family Smoking Prevention and Tobacco Control Act Regulatory Research		
93.077	I	N	31,560	Family Smoking Prevention and Tobacco Control Act Regulatory Research	110464	Wake Forest Univ
93.086	D	N	16	Healthy Marriage Promotion and Responsible Fatherhood Grants		
93.088	D	N	61,712	Advancing System Improvements to Support Targets for Healthy People 2010		
93.103	D	N	157,491	Food and Drug Administration-Research		
93.103	I	N	-139	Food and Drug Administration-Research	559467	Univ of Pennsylvania
93.107	D	N	919,482	Area Health Education Centers Point of Service Maintenance and Enhancement Awards		
93.110	D	N	3,208,985	Maternal and Child Health Federal Consolidated Programs		
93.110	I	N	-448	Maternal and Child Health Federal Consolidated Programs	4407-UNC-DHHS-1	Penn State Univ
93.110	I	N	-17,366	Maternal and Child Health Federal Consolidated Programs	H30MC24046-01	Hemoph. of Georgia
93.110	I	N	99,482	Maternal and Child Health Federal Consolidated Programs	H30MC24046-02	Hemoph. of Georgia
93.113	D	N	8,942,645	Environmental Health		
93.113	I	N	18,056	Environmental Health	0255-9994-4609	Mt Sinai Sch of Med
93.113	I	N	50,639	Environmental Health	11-NIH-1002	Duke Univ Med Ctr
93.113	I	N	49,317	Environmental Health	2001627675	Johns Hopkins Univ
93.113	I	N	6,251	Environmental Health	416310-G/5-2913	Univ of Rochester
93.113	I	N	80,625	Environmental Health	542	Brown Univ
93.113	I	N	8,214	Environmental Health	H48496	Univ Southern Califo
93.113	I	N	16,383	Environmental Health	N/A	Biodeptronx LLC
93.113	I	N	51,838	Environmental Health	PO 753538/2331	Henry M Jackson Fdn
93.113	I	N	6,548	Environmental Health	PO#50018343	Univ Southern Califo
93.113	I	N	-5,558	Environmental Health	SC6555950/02559	Mt Sinai Sch of Med
93.113	I	N	-23	Environmental Health	UNC-1R43ES02063	Scikon Innovations
93.113	I	N	111,619	Environmental Health	UNCES019672	Penn State Univ
93.117	D	N	277,168	Preventive Medicine and Public Health Residency Training Program, Integrative Medicine Program, and National Coordinating Center for Integrative Medicin		
93.121	D	N	10,811,977	Oral Diseases and Disorders Research		
93.121	I	N	69,657	Oral Diseases and Disorders Research	000412838-011	Univ of Alabama-Birm
93.121	I	N	16,670	Oral Diseases and Disorders Research	018106-UNC2410	Forsyth Institute
93.121	I	N	-37,064	Oral Diseases and Disorders Research	10252SUB	Seattle Chld Hosp
93.121	I	N	14,435	Oral Diseases and Disorders Research	10416SUB	Seattle Chld Hosp
93.121	I	N	3,841	Oral Diseases and Disorders Research	10673SUB	Seattle Chld Hosp
93.121	I	N	13,035	Oral Diseases and Disorders Research	10829SUB	Seattle Chld Hosp
93.121	I	N	1,473	Oral Diseases and Disorders Research	10830SUB	Seattle Chld Hosp
93.121	I	N	113,202	Oral Diseases and Disorders Research	29070010-0003	Methodist Hosp Rsc I
93.121	I	N	75,091	Oral Diseases and Disorders Research	3002885068	Univ of Michigan
93.121	I	N	-1,386	Oral Diseases and Disorders Research	85285270X110360	Healthpartners
93.121	I	N	38,114	Oral Diseases and Disorders Research	F6570-05	New York Univ
93.121	I	N	10,048	Oral Diseases and Disorders Research	F6934-02	New York Univ
93.121	I	N	-2,975	Oral Diseases and Disorders Research	FY13.236.001	Univ of Colorado

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93.121	I	N	-16	Oral Diseases and Disorders Research	HS2356	Tufts Univ
93.121	I	N	125,107	Oral Diseases and Disorders Research	N/A	3DMD LLC
93.121	I	N	1,038	Oral Diseases and Disorders Research	OGMB101066 UNC	Univ of Louisville
93.121	I	N	1,281	Oral Diseases and Disorders Research	R01DE018184	Beth Israel Deacon M
93.127	D	N	153,917	Emergency Medical Services for Children		
93.135	D	N	3,080,605	Centers for Research and Demonstration for Health Promotion and Disease Prevention		
93.135	I	N	3,239	Centers for Research and Demonstration for Health Promotion and Disease Prevention	416008-G	Univ of Rochester
93.135	I	N	195,684	Centers for Research and Demonstration for Health Promotion and Disease Prevention	99-S132303	Texas A&M Univ
93.136	D	N	2,011,133	Injury Prevention and Control Research and State and Community Based Programs		
93.136	I	N	42,084	Injury Prevention and Control Research and State and Community Based Programs	661	Pacific Inst Resch
93.143	D	N	2,355,624	NIEHS Superfund Hazardous Substances-Basic Research and Education		
93.145	I	N	-811	AIDS Education and Training Centers	S847086	Emory Univ
93.145	I	N	462	AIDS Education and Training Centers	S847121	Emory Univ
93.145	I	N	622	AIDS Education and Training Centers	S922944	Emory Univ
93.145	I	N	153,070	AIDS Education and Training Centers	T066365	Emory Univ
93.145	I	N	16,983	AIDS Education and Training Centers	T066366	Emory Univ
93.153	I	N	8,460	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0025	Duke Univ Med Ctr
93.153	I	N	12,813	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0026	Duke Univ Med Ctr
93.153	I	N	57,366	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0032	Duke Univ Med Ctr
93.153	I	N	59,280	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	309-0033	Duke Univ Med Ctr
93.155	D	N	1,241,648	Rural Health Research Centers		
93.155	I	N	4,395	Rural Health Research Centers	N/A	Natl Rural Hlth Assn
93.172	D	N	8,057,453	Human Genome Research		
93.172	I	N	125,663	Human Genome Research	12-NIH-1104	Duke Univ Med Ctr
93.172	I	N	25,951	Human Genome Research	13-NIH-1083	Duke Univ
93.172	I	N	-206	Human Genome Research	203-1625	Duke Univ
93.172	I	N	-1,900	Human Genome Research	203-1628	Duke Univ
93.172	I	N	25,103	Human Genome Research	64780	Louisiana State Univ
93.173	D	N	3,284,806	Research Related to Deafness and Communication Disorders		
93.173	I	N	15,615	Research Related to Deafness and Communication Disorders	1000664992	Univ of Iowa
93.173	I	N	48,818	Research Related to Deafness and Communication Disorders	40966974	Univ Southern Califo
93.173	I	N	62,544	Research Related to Deafness and Communication Disorders	SP0012457	Northwestern Univ
93.173	I	N	141,613	Research Related to Deafness and Communication Disorders	W000501755	Univ of Iowa
93.178	D	N	203,324	Nursing Workforce Diversity		
93.184	I	N	16,361	Disabilities Prevention	2011-06586-02-0	Univ of Ill-Chicago
93.184	I	N	188,784	Disabilities Prevention	ATHN2011001-IVN	Am Thromb Hemo Netw
93.186	D	N	266,675	National Research Service Award in Primary Care Medicine		
93.213	D	N	1,088,281	Research and Training in Complementary and Alternative Medicine		
93.224	I	N	8,000	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	110-450-4505	Natl Governors Assoc
93.225	D	N	477,656	National Research Service Awards-Health Services Research Training		
93.226	D	N	3,063,912	Research on Healthcare Costs, Quality and Outcomes		
93.226	I	N	1,424	Research on Healthcare Costs, Quality and Outcomes	2011-05887-10-0	Univ of Ill-Chicago
93.226	I	N	29,200	Research on Healthcare Costs, Quality and Outcomes	2039720	Duke Univ
93.226	I	N	27	Research on Healthcare Costs, Quality and Outcomes	A07706 (M10A104)	Yale Univ

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93.226	I	N	18,193	Research on Healthcare Costs, Quality and Outcomes	SP0025667-PROJ0	Northwestern U Traf
93.233	I	N	32,735	National Center on Sleep Disorders Research	106777	Brigham Women's Hosp
93.241	I	N	39,743	State Rural Hospital Flexibility Program	P000577701	Univ of Minnesota
93.241	I	N	179,206	State Rural Hospital Flexibility Program	P004027953	Univ of Minnesota
93.242	D	N	20,646,060	Mental Health Research Grants		
93.242	I	N	17,642	Mental Health Research Grants	1 (GG005538)	Trust Columbia Univ NY
93.242	I	N	454,304	Mental Health Research Grants	10-NIH-1045	Duke Univ
93.242	I	N	22,159	Mental Health Research Grants	104624	Brigham Women's Hosp
93.242	I	N	45,897	Mental Health Research Grants	13-2194	Cactus Consulting Gr
93.242	I	N	42,214	Mental Health Research Grants	14-2455/PO#3171	Univ of S Carolina
93.242	I	N	-2,019	Mental Health Research Grants	153844/303-1236	Duke Univ
93.242	I	N	133,067	Mental Health Research Grants	1R01MH100628-01	Rush Med College
93.242	I	N	265,026	Mental Health Research Grants	2 (GG005538)	Columbia Univ
93.242	I	N	73,602	Mental Health Research Grants	2000 G NF 192	Univ Cal Los Angeles
93.242	I	N	237,832	Mental Health Research Grants	2001590660	Johns Hopkins Univ
93.242	I	N	-1,761	Mental Health Research Grants	2001799974	Johns Hopkins Univ
93.242	I	N	106,471	Mental Health Research Grants	2001805606	Johns Hopkins Univ
93.242	I	N	31,007	Mental Health Research Grants	2001962149	Johns Hopkins Univ
93.242	I	N	113,832	Mental Health Research Grants	2011-2596	Univ Calif-Irvine
93.242	I	N	-199	Mental Health Research Grants	203-0140	Duke Univ
93.242	I	N	27,893	Mental Health Research Grants	203-1144	Duke Univ Med Ctr
93.242	I	N	9,540	Mental Health Research Grants	203-1284	Duke Univ
93.242	I	N	83,536	Mental Health Research Grants	203-1993	Duke Univ Med Ctr
93.242	I	N	4,539	Mental Health Research Grants	2039425	Duke Univ Med Ctr
93.242	I	N	25,059	Mental Health Research Grants	23650-115782	Harvard Univ
93.242	I	N	71,511	Mental Health Research Grants	416351	Univ of Rochester
93.242	I	N	13,166	Mental Health Research Grants	495K250	Univ Wisconsin-Madis
93.242	I	N	19,530	Mental Health Research Grants	580	Pacific Inst Resch
93.242	I	N	353,886	Mental Health Research Grants	60091569-24813-	Stanford Univ
93.242	I	N	131,541	Mental Health Research Grants	66911R	Univ of Miami
93.242	I	N	11,833	Mental Health Research Grants	699	Pacific Inst Resch
93.242	I	N	6,619	Mental Health Research Grants	H39736	Univ Southern Califo
93.242	I	N	28,302	Mental Health Research Grants	IN4687096UNC	Indiana Univ
93.242	I	N	33,997	Mental Health Research Grants	M12A11109 (A082	Yale Univ
93.242	I	N	170,220	Mental Health Research Grants	N/A	Jericho Sciences
93.242	I	N	8,884	Mental Health Research Grants	PD301397-SC1018	VA Commonwealth Univ
93.242	I	N	3,506	Mental Health Research Grants	PD303148-SC1045	VA Commonwealth Univ
93.242	I	N	7,571	Mental Health Research Grants	PO#2001591772	Johns Hopkins Univ
93.242	I	N	1,768	Mental Health Research Grants	PO#2001624376	Johns Hopkins Univ
93.242	I	N	19,909	Mental Health Research Grants	PO#2001624377	Johns Hopkins Univ
93.242	I	N	110,138	Mental Health Research Grants	PO#2001624432	Johns Hopkins Univ
93.242	I	N	-5,170	Mental Health Research Grants	S940547	Emory Univ
93.242	I	N	161,160	Mental Health Research Grants	SP0014522-PROJ0	Northwestern U Traf
93.242	I	N	98,861	Mental Health Research Grants	T073485	Emory Univ
93.242	I	N	27,585	Mental Health Research Grants	WFUHS 10075	Wake Forest Univ Sch Med
93.242	I	N	35,240	Mental Health Research Grants	WU-12-280/PO 29	Wash Univ-St Louis
93.243	D	N	135,075	Substance Abuse and Mental Health Services-Projects of Regional and National Significance		
93.243	I	N	19,068	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	FY12.525.003	Univ of Colorado

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93.243	I	N	-205	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	M13A11406(A0874)	Yale Univ
93.243	I	N	30,322	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	M13A11521 (A090)	Yale Univ
93.243	I	N	13,386	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	N/A	Cincinnati Behav Hlt
93.247	D	N	288,551	Advanced Nursing Education Grant Program		
93.262	D	N	1,599,825	Occupational Safety and Health Program		
93.262	I	N	3,485	Occupational Safety and Health Program	10-597-UNC	West Virginia Univ
93.262	I	N	-183	Occupational Safety and Health Program	3049024630-12-6	Univ Kentucky Res Fdn
93.262	I	N	-5	Occupational Safety and Health Program	3049024994-13-1	Univ Kentucky Res Fdn
93.262	I	N	-3,036	Occupational Safety and Health Program	729856	Univ of Wash-Seattle
93.262	I	N	-27	Occupational Safety and Health Program	W000217890	Univ of Iowa
93.264	D	N	611,614	Nurse Faculty Loan Program (NFLP)		
93.272	D	N	400	Alcohol National Research Service Awards for Research Training		
93.273	D	N	11,672,324	Alcohol Research Programs		
93.273	I	N	40,097	Alcohol Research Programs	1-312-0212210-5	RTI
93.273	I	N	19,069	Alcohol Research Programs	14-NIH-1043	Duke Univ
93.273	I	N	3,306	Alcohol Research Programs	203-2467	Duke Univ Med Ctr
93.273	I	N	17,970	Alcohol Research Programs	203-3075	Duke Univ
93.273	I	N	38,270	Alcohol Research Programs	406-SUB	Cleveland Clinic Fdn
93.273	I	N	81,053	Alcohol Research Programs	55478	Binghamton Univ
93.273	I	N	28,138	Alcohol Research Programs	GG005688/539716	Columbia Univ
93.279	D	N	11,239,621	Drug Abuse and Addiction Research Programs		
93.279	I	N	44,537	Drug Abuse and Addiction Research Programs	1-312-0213082/8	RTI Rsch Triangle In
93.279	I	N	14,786	Drug Abuse and Addiction Research Programs	1550335	Univ of Colorado
93.279	I	N	109,606	Drug Abuse and Addiction Research Programs	1R41DA032293 UN	Algynomics Inc
93.279	I	N	33,538	Drug Abuse and Addiction Research Programs	2001868942	Johns Hopkins Univ
93.279	I	N	25,160	Drug Abuse and Addiction Research Programs	2002156869	Johns Hopkins Univ
93.279	I	N	-67	Drug Abuse and Addiction Research Programs	203-1179	Duke Univ
93.279	I	N	9,548	Drug Abuse and Addiction Research Programs	203-1519	Duke Univ
93.279	I	N	50,086	Drug Abuse and Addiction Research Programs	710-9833-8985	Miriam Hospital
93.279	I	N	8,474	Drug Abuse and Addiction Research Programs	8591	Univ MD-Baltimore
93.279	I	N	-1,019	Drug Abuse and Addiction Research Programs	P24919-00	Texas Christian Univ
93.279	I	N	45,256	Drug Abuse and Addiction Research Programs	PO#SR00000878	Univ MD-Baltimore
93.279	I	N	84,624	Drug Abuse and Addiction Research Programs	PO#SR00002140	Univ MD-Baltimore
93.279	I	N	506,425	Drug Abuse and Addiction Research Programs	UF12269	Univ of Florida
93.279	I	N	-2	Drug Abuse and Addiction Research Programs	Z028101	Univ MD College Park
93.282	D	N	87,621	Mental Health National Research Service Awards for Research Training		
93.283	D	N	2,255,820	Center for Disease Control and Prevention-Investigations and Technical Assistance		
93.283	I	N	29,704	Center for Disease Control and Prevention-Investigations and Technical Assistance	16011-1 55	State&Territ Hlth of
93.283	I	N	18,138	Center for Disease Control and Prevention-Investigations and Technical Assistance	16011/PO2220	State&Territ Hlth of
93.283	I	N	14,540	Center for Disease Control and Prevention-Investigations and Technical Assistance	2R44DP003101-02	3C Inst Social Dev
93.283	I	N	81,873	Center for Disease Control and Prevention-Investigations and Technical Assistance	3003045753	Univ of Michigan
93.283	I	N	-1,590	Center for Disease Control and Prevention-Investigations and Technical Assistance	N/A	Uni Del Valle Guatem

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93.283	I	N	1,600	Center for Disease Control and Prevention-Investigations and Technical Assistance	S3810-26/28	Assoc Sch Pub Health
93.286	D	N	2,982,659	Discovery and Applied Research for Technological Innovations to Improve Human Health		
93.286	I	N	104,907	Discovery and Applied Research for Technological Innovations to Improve Human Health	106368	Brigham Women's Hosp
93.286	I	N	36,120	Discovery and Applied Research for Technological Innovations to Improve Human Health	106370	Brigham Women's Hosp
93.286	I	N	132,033	Discovery and Applied Research for Technological Innovations to Improve Human Health	1106149	Univ NY Stony Brook
93.286	I	N	6,466	Discovery and Applied Research for Technological Innovations to Improve Human Health	13-1854	Cell Microsystems
93.286	I	N	-2	Discovery and Applied Research for Technological Innovations to Improve Human Health	21135-S1	Vanderbilt Univ Med C
93.286	I	N	67,340	Discovery and Applied Research for Technological Innovations to Improve Human Health	2186-016377	Vanderbilt Univ Med C
93.286	I	N	39,664	Discovery and Applied Research for Technological Innovations to Improve Human Health	4/PO#1346727	ME College of Wi
93.286	I	N	118,359	Discovery and Applied Research for Technological Innovations to Improve Human Health	80451	Louisiana State Univ
93.286	I	N	44,663	Discovery and Applied Research for Technological Innovations to Improve Human Health	K000688-00-S03	Kitware Inc
93.286	I	N	29,998	Discovery and Applied Research for Technological Innovations to Improve Human Health	K000792-00-S01	Kitware Inc
93.286	I	N	43,025	Discovery and Applied Research for Technological Innovations to Improve Human Health	R-12-0122	Univ of Houston
93.292	I	N	370	National Public Health Improvement Initiative	N/A	Asso Matern Chld Hlt
93.300	D	N	144,972	National Center for Health Workforce Analysis		
93.300	I	N	38,808	National Center for Health Workforce Analysis	4743-01	Hlth Research Inc
93.307	D	N	697,440	Minority Health and Health Disparities Research		
93.307	I	N	18,716	Minority Health and Health Disparities Research	117634/117635	Wake Forest Hlth Sci
93.307	I	N	21,242	Minority Health and Health Disparities Research	3002987899	Univ of Michigan
93.307	I	N	50	Minority Health and Health Disparities Research	WFUHS12742	Wake Forest Univ
93.310	D	N	2,930,706	Trans-NIH Research Support		
93.310	I	N	315,636	Trans-NIH Research Support	148614.5030571.	Harvard Med Sch
93.310	I	N	57,112	Trans-NIH Research Support	557217	Univ of Pennsylvania
93.342	D	N	3,499,261	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students		
93.350	D	N	12,529,578	National Center for Advancing Translational Sciences		
93.351	D	N	2,156,496	Research Infrastructure Programs		
93.351	I	N	47,306	Research Infrastructure Programs	K000786-00-S04	Kitware Inc
93.358	D	N	368,127	Advanced Education Nursing Traineeships		
93.359	D	N	133,538	Nurse Education, Practice Quality and Retention Grants		
93.361	D	N	3,042,032	Nursing Research		
93.361	I	N	159,893	Nursing Research	0255-5071-4609	Mt Sinai Sch of Med
93.361	I	N	69,630	Nursing Research	2039778	Duke Univ
93.361	I	N	29,229	Nursing Research	560124	Univ of Pennsylvania
93.361	I	N	-235	Nursing Research	8736	Univ of Pittsburgh
93.389	D	N	-15,275	National Center for Research Resources		
93.393	D	N	13,897,544	Cancer Cause and Prevention Research		
93.393	I	N	21,594	Cancer Cause and Prevention Research	0255-6601-4609	Mt Sinai Sch of Med
93.393	I	N	39,907	Cancer Cause and Prevention Research	10-16373-99-01-	H Lee Moffitt Cancer
93.393	I	N	361	Cancer Cause and Prevention Research	1156407	Dana-Farber Cancer

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93.393	I	N	-1,517	Cancer Cause and Prevention Research	1156408	Dana-Farber Cancer
93.393	I	N	33,210	Cancer Cause and Prevention Research	13-194	Arizona State Univ
93.393	I	N	3,280	Cancer Cause and Prevention Research	150159.5077497.	Harvard Univ
93.393	I	N	-1,395	Cancer Cause and Prevention Research	151256/151249	Univ of Tex San Anto
93.393	I	N	42,241	Cancer Cause and Prevention Research	2001659822	Johns Hopkins Univ
93.393	I	N	-1,542	Cancer Cause and Prevention Research	2012101784	Group Health Cooper
93.393	I	N	12,620	Cancer Cause and Prevention Research	203-0297	Duke Univ
93.393	I	N	4,284	Cancer Cause and Prevention Research	3001476655	Univ of Michigan
93.393	I	N	54,921	Cancer Cause and Prevention Research	44706-D	Univ of Chicago
93.393	I	N	-47,341	Cancer Cause and Prevention Research	55-8002-01	Roswell Park Canc In
93.393	I	N	-407	Cancer Cause and Prevention Research	55-8003-01	Roswell Park Canc In
93.393	I	N	181	Cancer Cause and Prevention Research	55-8004-01	Roswell Park Canc In
93.393	I	N	4	Cancer Cause and Prevention Research	55-8006-01	Roswell Park Canc In
93.393	I	N	69,976	Cancer Cause and Prevention Research	63014976	Mayo Clinic Rocheste
93.393	I	N	46,568	Cancer Cause and Prevention Research	63172415	Mayo Clinic Rocheste
93.393	I	N	10,331	Cancer Cause and Prevention Research	66971E	Univ of Miami
93.393	I	N	3,444	Cancer Cause and Prevention Research	66971E/M174648	Univ of Miami
93.393	I	N	3,614	Cancer Cause and Prevention Research	721516	Fred Hutchinsn Can
93.393	I	N	956,185	Cancer Cause and Prevention Research	76-01	Roswell Park Canc In
93.393	I	N	27,502	Cancer Cause and Prevention Research	913	Dartmouth College
93.393	I	N	16,507	Cancer Cause and Prevention Research	BD515011	Sloan-Kettering Inst
93.393	I	N	159	Cancer Cause and Prevention Research	BD515047	Sloan-Kettering Inst
93.393	I	N	180,356	Cancer Cause and Prevention Research	CA154292-02-UNC	Group Hlth Rsc Inst
93.393	I	N	354,392	Cancer Cause and Prevention Research	CA154292-03-UNC	Group Hlth Rsc Inst
93.393	I	N	40,926	Cancer Cause and Prevention Research	E0012914	Univ of Ill-Chicago
93.393	I	N	9,774	Cancer Cause and Prevention Research	N/A	Johns Hopkins Univ
93.393	I	N	5,570	Cancer Cause and Prevention Research	PO#63289767	Mayo Clinic Rocheste
93.393	I	N	48,500	Cancer Cause and Prevention Research	S898350	Emory Univ
93.393	I	N	52,611	Cancer Cause and Prevention Research	SP00011274-02	Georgia State Univ
93.393	I	N	28,452	Cancer Cause and Prevention Research	T020036	Emory Univ
93.393	I	N	356,276	Cancer Cause and Prevention Research	T072882	Emory Univ
93.393	I	N	20,896	Cancer Cause and Prevention Research	VUMC 42432	Vanderbilt U Med C
93.393	I	N	9,748	Cancer Cause and Prevention Research	WU-14-99	Wash Univ-St Louis
93.394	D	N	5,605,368	Cancer Detection and Diagnosis Research		
93.394	I	N	33,877	Cancer Detection and Diagnosis Research	108415	Brigham Women's Hosp
93.394	I	N	13,518	Cancer Detection and Diagnosis Research	1138	Am Coll Radiol. Imag
93.394	I	N	54,822	Cancer Detection and Diagnosis Research	203-1797	Duke Univ Med Ctr
93.394	I	N	129,994	Cancer Detection and Diagnosis Research	3001861664	Univ of Michigan
93.394	I	N	-3,037	Cancer Detection and Diagnosis Research	3001988623	Univ of Michigan
93.394	I	N	2,748	Cancer Detection and Diagnosis Research	500220-78050	Northeastern Univ
93.394	I	N	6,434	Cancer Detection and Diagnosis Research	6970SC	Univ Calif San Franc
93.394	I	N	86,794	Cancer Detection and Diagnosis Research	FP056002	Univ of Chicago
93.394	I	N	67,997	Cancer Detection and Diagnosis Research	K000646-00-S01	Kitware Inc
93.394	I	N	66,939	Cancer Detection and Diagnosis Research	N/A	Morphomics Inc
93.394	I	N	15,614	Cancer Detection and Diagnosis Research	PO#2923047X/WU-	Wash Univ-St Louis
93.394	I	N	39,154	Cancer Detection and Diagnosis Research	VUMC 38860	Vanderbilt Univ Med C
93.394	I	N	-76,900	Cancer Detection and Diagnosis Research	WU-12-117/29173	Wash Univ-St Louis
93.394	I	N	114,932	Cancer Detection and Diagnosis Research	WU-13-68	Wash Univ-St Louis
93.394	I	N	381,268	Cancer Detection and Diagnosis Research	WU-14-111	Wash Univ-St Louis
93.395	D	N	7,955,553	Cancer Treatment Research		
93.395	I	N	231,930	Cancer Treatment Research	107938	Brigham Women's Hosp

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93.395	I	N	4,870	Cancer Treatment Research	1R44CA174074-01	G1 One Therapeutics
93.395	I	N	1	Cancer Treatment Research	20737	Natl Childhd Cncr Fdn
93.395	I	N	72,538	Cancer Treatment Research	310472	Albert Einstein Coll
93.395	I	N	6,940	Cancer Treatment Research	5R01CA133049-05	Mayo Clinic Rocheste
93.395	I	N	15,242	Cancer Treatment Research	60037258	Ohio State Univ
93.395	I	N	-9,261	Cancer Treatment Research	9-526-1913	Albert Einstein Coll
93.395	I	N	166,025	Cancer Treatment Research	N/A	Gynecologic Oncology
93.395	I	N	-4,019	Cancer Treatment Research	PD300629-SC1012	VA Commonwealth Univ
93.395	I	N	12,210	Cancer Treatment Research	PD300785-SC1051	VA Commonwealth Univ
93.396	D	N	8,432,744	Cancer Biology Research		
93.396	I	N	187,282	Cancer Biology Research	23-S142302	Texas A&M Univ
93.396	I	N	92,042	Cancer Biology Research	431769-19467	Virginia Polytechnic Inst
93.396	I	N	166,114	Cancer Biology Research	5600599560	Baylor Col Med
93.396	I	N	270,228	Cancer Biology Research	900807/RGC00000	UT Southwest Med Ctr
93.396	I	N	-3,540	Cancer Biology Research	GMO-900807	UT Southwest Med Ctr
93.397	D	N	13,010,212	Cancer Centers Support Grants		
93.397	I	N	2,668	Cancer Centers Support Grants	1230601	Dana-Farber Partners
93.397	I	N	5,740	Cancer Centers Support Grants	1231001	Dana-Farber Partners
93.397	I	N	36,110	Cancer Centers Support Grants	2000796704	Johns Hopkins Univ
93.397	I	N	665	Cancer Centers Support Grants	5U54CA142152-04	New Hanover Reg Med
93.398	D	N	5,585,543	Cancer Research Manpower		
93.399	D	N	-7,416	Cancer Control		
93.399	I	N	43,093	Cancer Control	439K331	Univ Wisconsin-Madis
93.399	I	N	13,706	Cancer Control	N/A	NSABP Fdn
93.399	I	N	20,283	Cancer Control	RES507599	Case Western Reserve
93.399	I	N	17,539	Cancer Control	RES508421	Case Western Reserve
93.414	I	Y	17,640	ARRA - State Primary Care Offices	DH140006001	Missouri Hlth Senior
93.505	I	N	14,327	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	14-07-5-01-078-	Montana St Governmen
93.510	D	N	807,484	Affordable Care Act (ACA) Primary Care Residency Expansion Program		
93.512	I	N	118,927	Affordable Care Act (ACA) Personal and Home Care Aide State Training Program (PHCAST)	N/A	Fdn Adv Hlth Prog
93.516	D	N	299,284	Affordable Care Act (ACA) Public Health Training Centers Program		
93.516	I	N	512	Affordable Care Act (ACA) Public Health Training Centers Program	730810	Univ of Wash-Seattle
93.531	I	N	6,316	PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants - financed solely by 2012 Preventinon and Public Health Funds	7009600025	Educat Serv Dist 112
93.600	D	N	511,214	Head Start		
93.600	I	N	85,579	Head Start	719100-NTI	Am Acad Pediatrics
93.600	I	N	692	Head Start	719100-UNC	Am Acad Pediatrics
93.601	D	N	343,817	Child Support Enforcement Demonstrations and Special Projects		
93.607	D	N	38,743	Affordable Care Act - Preparedness and Emergency Response Research Centers: A Public Health Systems Approach		
93.610	I	N	103,329	Health Care Innovation Awards (HCIA)	N/A	N3Cn NC Commun Care
93.631	D	N	20	Developmental Disabilities Projects of National Significance		
93.632	D	N	509,287	University Centers for Excellence in Developmental Disabilities Education, Research, and Service		
93.647	I	N	428	Social Services Research and Demonstration	UA12-052	Univ of Alabama-Tusc
93.648	D	N	292,654	Child Welfare Research Training or Demonstration		
93.670	D	N	15,979	Child Abuse and Neglect Discretionary Activities		
93.701	D	Y	81,762	ARRA - Trans-NIH Recovery Act Research Support		

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93.701	I	Y	-5,297	ARRA - Trans-NIH Recovery Act Research Support	1-312-0212799	RTI
93.701	I	Y	22	ARRA - Trans-NIH Recovery Act Research Support	163997/303-4618	Duke Univ
93.701	I	Y	548	ARRA - Trans-NIH Recovery Act Research Support	2000784930	Johns Hopkins Univ
93.701	I	Y	10,651	ARRA - Trans-NIH Recovery Act Research Support	203-0662	Duke Univ Med Ctr
93.701	I	Y	33,087	ARRA - Trans-NIH Recovery Act Research Support	203-9432	Duke Univ
93.701	I	Y	-9,213	ARRA - Trans-NIH Recovery Act Research Support	24-6231-0186-00	Univ of Nebraska
93.701	I	Y	-631	ARRA - Trans-NIH Recovery Act Research Support	26051910-42776-	Stanford Univ
93.701	I	Y	-2,255	ARRA - Trans-NIH Recovery Act Research Support	60028291	Ohio State Univ
93.701	I	Y	20,857	ARRA - Trans-NIH Recovery Act Research Support	752621Z	Univ of Wash-Seattle
93.701	I	Y	11,841	ARRA - Trans-NIH Recovery Act Research Support	815510	Rsch Ins Natwide Chl
93.701	I	Y	3,674	ARRA - Trans-NIH Recovery Act Research Support	950700RSUB	Children's Hosp Phil
93.701	I	Y	-43	ARRA - Trans-NIH Recovery Act Research Support	951049RSUB	Children's Hosp Phil
93.701	I	Y	-299	ARRA - Trans-NIH Recovery Act Research Support	K00024-S1	Kitware Inc
93.701	I	Y	2,313	ARRA - Trans-NIH Recovery Act Research Support	P001015303	Univ of Minnesota
93.708	I	Y	-1,260	ARRA - Head Start	46900-621-V12UN	Georgia Early Care L
93.715	D	Y	-110,818	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ		
93.715	I	Y	7,304	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ	108219	Children's Hosp/Cinn
93.715	I	Y	-1,370	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ	108219/31002385	Children's Hosp/Cinn
93.715	I	Y	-11	ARRA - Recovery Act Comparative Effectiveness Research - AHRQ	203-0681	Duke Univ
93.718	D	Y	2,545,558	ARRA - Health Information Technology Regional Extension Centers Program		
93.721	I	Y	19,791	ARRA - Health Information Technology Professionals in Health Care	302-9787	Duke Univ
93.726	I	Y	33,493	ARRA Accelerating Adoption of Comparative Effectiveness Research (CER)	171193/2039064	Duke Univ
93.726	I	Y	144,493	ARRA Accelerating Adoption of Comparative Effectiveness Research (CER)	4-0601	Palo Alto Med Fdn H
93.727	I	Y	88,129	ARRA - Health Information Technology - Beacon Communities	90BC0001/01	SO Piedm Comm Care P
93.730	D	Y	-16,881	ARRA Prevention Research Centers Comparative Effectiveness Research Program		
93.822	D	N	210,791	Health Careers Opportunity Program		
93.837	D	N	23,359,715	Cardiovascular Diseases Research		
93.837	I	N	48,208	Cardiovascular Diseases Research	0000926 (112946	Univ of Pittsburgh
93.837	I	N	8,532	Cardiovascular Diseases Research	0255-2754-4609	Mt Sinai Sch of Med
93.837	I	N	12,315	Cardiovascular Diseases Research	110855	Wake Forest Univ Sch Med
93.837	I	N	33,478	Cardiovascular Diseases Research	11530-FA87/13-2	Univ of S Carolina
93.837	I	N	66,521	Cardiovascular Diseases Research	153742	Duke Univ
93.837	I	N	32,610	Cardiovascular Diseases Research	165014	Univ Southern Califo
93.837	I	N	5,277	Cardiovascular Diseases Research	203-2282	Duke Univ Med Ctr
93.837	I	N	989	Cardiovascular Diseases Research	203-3202	Duke Univ
93.837	I	N	-9	Cardiovascular Diseases Research	26723	Georgia Hlth Sci Uni
93.837	I	N	112,003	Cardiovascular Diseases Research	3001303804	Univ of Michigan
93.837	I	N	111,940	Cardiovascular Diseases Research	302-0442	Duke Univ Med Ctr
93.837	I	N	70,358	Cardiovascular Diseases Research	303-4533	Duke Univ Med Ctr
93.837	I	N	67,797	Cardiovascular Diseases Research	310268	Albert Einstein Coll
93.837	I	N	50,617	Cardiovascular Diseases Research	431746-19467	Virginia Polytechnic Inst
93.837	I	N	49,548	Cardiovascular Diseases Research	45240550	Univ Southern Califo
93.837	I	N	43,175	Cardiovascular Diseases Research	5	Gramercy Rsch Group
93.837	I	N	12,878	Cardiovascular Diseases Research	5-29746/415311-	Univ of Rochester
93.837	I	N	31,170	Cardiovascular Diseases Research	561458	Univ of Pennsylvania
93.837	I	N	-4,996	Cardiovascular Diseases Research	60028980	Ohio State Univ
93.837	I	N	13,388	Cardiovascular Diseases Research	60036989	Ohio State Univ
93.837	I	N	16,471	Cardiovascular Diseases Research	60040818	Ohio State Univ
93.837	I	N	9,410	Cardiovascular Diseases Research	6763SC	Univ Calif-San Franc
93.837	I	N	516,694	Cardiovascular Diseases Research	710-9694	Miriam Hospital
93.837	I	N	23,891	Cardiovascular Diseases Research	739597	Univ of Wash-Seattle

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93.837	I	N	15,687	Cardiovascular Diseases Research	740622	Univ of Wash-Seattle
93.837	I	N	-14,024	Cardiovascular Diseases Research	745975	Fred Hutchinsn Can
93.837	I	N	85,919	Cardiovascular Diseases Research	753790	Univ of Wash-Seattle
93.837	I	N	159,361	Cardiovascular Diseases Research	772441	Fred Hutchinsn Can
93.837	I	N	-4,725	Cardiovascular Diseases Research	9-526-5496	Albert Einstein Coll
93.837	I	N	-12,605	Cardiovascular Diseases Research	9920080096	Rand Corporation,Inc
93.837	I	N	98,530	Cardiovascular Diseases Research	N/A	Exemplar Genetics
93.837	I	N	195	Cardiovascular Diseases Research	N000550801	Univ of Minnesota
93.837	I	N	52,816	Cardiovascular Diseases Research	N002127502	Univ of Minnesota
93.837	I	N	79,267	Cardiovascular Diseases Research	P000640503	Univ of Minnesota
93.837	I	N	31,608	Cardiovascular Diseases Research	P001897402	Univ of Minnesota
93.837	I	N	51,270	Cardiovascular Diseases Research	P663626606	Univ of Minnesota
93.837	I	N	34,355	Cardiovascular Diseases Research	PO#2923304X/WU-	Wash Univ-St Louis
93.837	I	N	17,915	Cardiovascular Diseases Research	RES505771	Case Western Reserve
93.837	I	N	29	Cardiovascular Diseases Research	S607676	Emory Univ
93.837	I	N	4,521	Cardiovascular Diseases Research	SC280158UNC	Chld Hosp New Orlean
93.837	I	N	62,399	Cardiovascular Diseases Research	SR00002297	Univ MD-Baltimore
93.837	I	N	-1,912	Cardiovascular Diseases Research	W000362057/1001	Univ of Iowa
93.837	I	N	1,650	Cardiovascular Diseases Research	W000466683/1001	Univ of Iowa
93.837	I	N	39,268	Cardiovascular Diseases Research	WFUHS 110854	Wake Forest Univ Sch Med
93.838	D	N	11,701,050	Lung Diseases Research		
93.838	I	N	515	Lung Diseases Research	000378244-001	Univ of Alabama-Birm
93.838	I	N	-10,000	Lung Diseases Research	0016623/116438-	Univ of Pittsburgh
93.838	I	N	47,678	Lung Diseases Research	10842SUB	Seattle Chld Rsch In
93.838	I	N	-212	Lung Diseases Research	1R41HL09529301A	Theralogics
93.838	I	N	28,691	Lung Diseases Research	2011-2546	Univ Calif-Irvine
93.838	I	N	-94	Lung Diseases Research	203-0394	Duke Univ
93.838	I	N	22,249	Lung Diseases Research	203-1647	Duke Univ
93.838	I	N	100,453	Lung Diseases Research	203-2603	Duke Univ
93.838	I	N	168,108	Lung Diseases Research	2032351	Duke Univ Med Ctr
93.838	I	N	85,896	Lung Diseases Research	2033418	Duke Univ
93.838	I	N	9,228	Lung Diseases Research	2039483	Duke Univ
93.838	I	N	50,484	Lung Diseases Research	4915SC	Univ Calif-San Franc
93.838	I	N	-1,475	Lung Diseases Research	558891	Univ of Pennsylvania
93.838	I	N	125,735	Lung Diseases Research	752648	Univ of Wash-Seattle
93.838	I	N	238,594	Lung Diseases Research	901487-UNC	Chld Hosp Chicago
93.838	I	N	-5	Lung Diseases Research	GC12067-140632	Univ of Virginia
93.838	I	N	-2,452	Lung Diseases Research	IN-4086445-UNC	Trustees Indiana Uni
93.838	I	N	23,812	Lung Diseases Research	IN-4086456-UNC	Iupui Indiana Purdue
93.838	I	N	28,857	Lung Diseases Research	IN-4686685-UNC	Indiana Univ
93.838	I	N	128,307	Lung Diseases Research	N/A	Case Western Reserve
93.838	I	N	116,710	Lung Diseases Research	RES507797	Case Western Reserve
93.839	D	N	8,909,266	Blood Diseases and Resources Research		
93.839	I	N	22,956	Blood Diseases and Resources Research	1/PO#1480701	ME College of Wi
93.839	I	N	28,818	Blood Diseases and Resources Research	1026762	Beth Israel Deacon M
93.839	I	N	40,691	Blood Diseases and Resources Research	203-0276	Duke Univ Med Ctr
93.839	I	N	-8	Blood Diseases and Resources Research	20469-01-01	Children's Hosp Phil
93.839	I	N	86,414	Blood Diseases and Resources Research	2046X-01-02/960	Children's Hosp Phil
93.839	I	N	-445	Blood Diseases and Resources Research	24-1106-0002-20	Univ of Nebraska
93.839	I	N	385,920	Blood Diseases and Resources Research	960819-RSUB/204	Children's Hosp Phil
93.839	I	N	129,830	Blood Diseases and Resources Research	A12099	Rensselaer Polytechn

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93.839	I	N	113,307	Blood Diseases and Resources Research	A12470	Rensselaer Polytechn
93.839	I	N	1,658	Blood Diseases and Resources Research	N/A	Children's Hosp Phil
93.846	D	N	8,105,443	Arthritis, Musculoskeletal and Skin Diseases Research		
93.846	I	N	211,274	Arthritis, Musculoskeletal and Skin Diseases Research	1122-001	Maine Medical Center
93.846	I	N	21,272	Arthritis, Musculoskeletal and Skin Diseases Research	12-01091/101776	New York Univ
93.846	I	N	597	Arthritis, Musculoskeletal and Skin Diseases Research	238899 UNC-CHAP	Temple Univ
93.846	I	N	-280	Arthritis, Musculoskeletal and Skin Diseases Research	MUSC08-127	Med Univ of SC
93.846	I	N	22,516	Arthritis, Musculoskeletal and Skin Diseases Research	RX 4442-007-UNC	Georgetown Univ
93.847	D	N	22,038,574	Diabetes, Digestive, and Kidney Diseases Extramural Research		
93.847	I	N	82,678	Diabetes, Digestive, and Kidney Diseases Extramural Research	12-023-58090	Calif Polytech St Un
93.847	I	N	-1,391	Diabetes, Digestive, and Kidney Diseases Extramural Research	12-179296-06	Connecticut Child Med
93.847	I	N	689,900	Diabetes, Digestive, and Kidney Diseases Extramural Research	13-179296-14	Connecticut Child Med
93.847	I	N	44,184	Diabetes, Digestive, and Kidney Diseases Extramural Research	13070883-2	Cornell Medical Col
93.847	I	N	10,179	Diabetes, Digestive, and Kidney Diseases Extramural Research	14070977-01	Cornell Medical Col
93.847	I	N	76,706	Diabetes, Digestive, and Kidney Diseases Extramural Research	1R43DK093119-01	Novan Inc.
93.847	I	N	18,074	Diabetes, Digestive, and Kidney Diseases Extramural Research	1R43DK095640-01	G1 One Therapeutics
93.847	I	N	2,730	Diabetes, Digestive, and Kidney Diseases Extramural Research	2001815789	Johns Hopkins Univ
93.847	I	N	61,323	Diabetes, Digestive, and Kidney Diseases Extramural Research	203-0621	Duke Univ Med Ctr
93.847	I	N	42,754	Diabetes, Digestive, and Kidney Diseases Extramural Research	203-2789	Duke Univ
93.847	I	N	31,939	Diabetes, Digestive, and Kidney Diseases Extramural Research	20964-UNC	UCLA Biomedical Rsc
93.847	I	N	-4,535	Diabetes, Digestive, and Kidney Diseases Extramural Research	221566	Mass Gen Hosp
93.847	I	N	56,014	Diabetes, Digestive, and Kidney Diseases Extramural Research	222917	Mass Gen Hosp
93.847	I	N	15,699	Diabetes, Digestive, and Kidney Diseases Extramural Research	29474870-48907-	Stanford Univ
93.847	I	N	-2,337	Diabetes, Digestive, and Kidney Diseases Extramural Research	3	ME College of Wi
93.847	I	N	94,057	Diabetes, Digestive, and Kidney Diseases Extramural Research	3001310929	Univ of Michigan
93.847	I	N	14,453	Diabetes, Digestive, and Kidney Diseases Extramural Research	3001321183	Univ of Michigan
93.847	I	N	16,377	Diabetes, Digestive, and Kidney Diseases Extramural Research	3002498182	Univ of Michigan
93.847	I	N	2,177	Diabetes, Digestive, and Kidney Diseases Extramural Research	330182	Children's Hosp Phil
93.847	I	N	2,488	Diabetes, Digestive, and Kidney Diseases Extramural Research	330182/ 960973R	Children's Hosp Phil
93.847	I	N	2,653	Diabetes, Digestive, and Kidney Diseases Extramural Research	330182/960972RS	Children's Hosp Phil
93.847	I	N	30,804	Diabetes, Digestive, and Kidney Diseases Extramural Research	4	ME College of Wi
93.847	I	N	33	Diabetes, Digestive, and Kidney Diseases Extramural Research	424928	Children's Hosp/Bost
93.847	I	N	5,420	Diabetes, Digestive, and Kidney Diseases Extramural Research	479892	Children's Hosp/Bost
93.847	I	N	213,697	Diabetes, Digestive, and Kidney Diseases Extramural Research	535748	Children's Hosp/Bost
93.847	I	N	7,259	Diabetes, Digestive, and Kidney Diseases Extramural Research	754857	Univ of Wash-Seattle
93.847	I	N	-3,743	Diabetes, Digestive, and Kidney Diseases Extramural Research	805973	Cedars-Sinai Med Ctr
93.847	I	N	6,340	Diabetes, Digestive, and Kidney Diseases Extramural Research	960474RSUB/3301	Children's Hosp Phil
93.847	I	N	261	Diabetes, Digestive, and Kidney Diseases Extramural Research	960475RSUB/3301	Children's Hosp Phil
93.847	I	N	646	Diabetes, Digestive, and Kidney Diseases Extramural Research	DK095745	Connecticut Child Med
93.847	I	N	54,157	Diabetes, Digestive, and Kidney Diseases Extramural Research	N/A	Connecticut Child Med
93.847	I	N	251,748	Diabetes, Digestive, and Kidney Diseases Extramural Research	PO#1307860/IN46	Indiana Univ
93.847	I	N	30,198	Diabetes, Digestive, and Kidney Diseases Extramural Research	R01 DK092468	Oregon Research Inst
93.847	I	N	116,523	Diabetes, Digestive, and Kidney Diseases Extramural Research	R42DK074193-02A	Theralogics
93.847	I	N	49,912	Diabetes, Digestive, and Kidney Diseases Extramural Research	S-GRD1213-KR31	George Washington Un
93.847	I	N	368,337	Diabetes, Digestive, and Kidney Diseases Extramural Research	S-GRD1314-KR31	George Washington Un
93.847	I	N	5,786	Diabetes, Digestive, and Kidney Diseases Extramural Research	S630622	Emory Univ
93.847	I	N	26,396	Diabetes, Digestive, and Kidney Diseases Extramural Research	SITE 105 179995	Duke Clinical Rsch
93.847	I	N	24,005	Diabetes, Digestive, and Kidney Diseases Extramural Research	T2D-UNC	Southeast Technivent
93.847	I	N	118,352	Diabetes, Digestive, and Kidney Diseases Extramural Research	UNCDK095078	Penn State Univ
93.847	I	N	77,685	Diabetes, Digestive, and Kidney Diseases Extramural Research	WU-10-172	Wash Univ-St Louis
93.847	I	N	85,678	Diabetes, Digestive, and Kidney Diseases Extramural Research	WU-11-230/29116	Wash Univ-St Louis

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93.853	D	N	10,464,206	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.853	I	N	-4,054	Extramural Research Programs in the Neurosciences and Neurological Disorders	0027698 (121489)	Univ of Pittsburgh
93.853	I	N	1,189	Extramural Research Programs in the Neurosciences and Neurological Disorders	0314301/2259	Boston Med Ctr
93.853	I	N	108,962	Extramural Research Programs in the Neurosciences and Neurological Disorders	12-01805	New York Univ
93.853	I	N	4,646	Extramural Research Programs in the Neurosciences and Neurological Disorders	19449/G100121-1	Univ Cincinnati
93.853	I	N	80,902	Extramural Research Programs in the Neurosciences and Neurological Disorders	2259	Boston Med Ctr
93.853	I	N	18,499	Extramural Research Programs in the Neurosciences and Neurological Disorders	2921/2259	Boston Med Ctr
93.853	I	N	236	Extramural Research Programs in the Neurosciences and Neurological Disorders	416220	Univ of Rochester
93.853	I	N	182,196	Extramural Research Programs in the Neurosciences and Neurological Disorders	5600909926	Baylor Col Med
93.853	I	N	13,375	Extramural Research Programs in the Neurosciences and Neurological Disorders	753189	Univ of Wash-Seattle
93.853	I	N	2	Extramural Research Programs in the Neurosciences and Neurological Disorders	A07868 (M10A104)	Yale Univ
93.853	I	N	-1,282	Extramural Research Programs in the Neurosciences and Neurological Disorders	K000841-00-S02	Kitware Inc
93.853	I	N	5,653	Extramural Research Programs in the Neurosciences and Neurological Disorders	N/A	Univ of Miami
93.853	I	N	33,319	Extramural Research Programs in the Neurosciences and Neurological Disorders	UNC NS060722	Penn State Univ
93.853	I	N	2,030	Extramural Research Programs in the Neurosciences and Neurological Disorders	WU-06-236	Wash Univ-St Louis
93.853	I	N	-5,487	Extramural Research Programs in the Neurosciences and Neurological Disorders	WU-08-196/PO#29	Wash Univ-St Louis
93.853	I	N	10,928	Extramural Research Programs in the Neurosciences and Neurological Disorders	WU-13-04/PO 291	Wash Univ-St Louis
93.855	D	N	61,494,219	Allergy, Immunology and Transplantation Research		
93.855	I	N	9,694	Allergy, Immunology and Transplantation Research	0000754179-2120	Fred Hutchinsn Can
93.855	I	N	3,724	Allergy, Immunology and Transplantation Research	0000754180-2120	Fred Hutchinsn Can
93.855	I	N	5,613	Allergy, Immunology and Transplantation Research	0000754469-2120	Fred Hutchinsn Can
93.855	I	N	2,135	Allergy, Immunology and Transplantation Research	0000782594-2120	Fred Hutchinsn Can
93.855	I	N	2,548	Allergy, Immunology and Transplantation Research	0000782595-2120	Fred Hutchinsn Can
93.855	I	N	2,548	Allergy, Immunology and Transplantation Research	0000782596-2120	Fred Hutchinsn Can
93.855	I	N	50,773	Allergy, Immunology and Transplantation Research	000372529-001	Univ of Alabama-Birm
93.855	I	N	213,415	Allergy, Immunology and Transplantation Research	000397076-011	Univ of Alabama-Birm
93.855	I	N	107,893	Allergy, Immunology and Transplantation Research	000421524-004	Univ of Alabama-Birm
93.855	I	N	6,164	Allergy, Immunology and Transplantation Research	0254-6998-4609	Mt Sinai Sch of Med
93.855	I	N	456,963	Allergy, Immunology and Transplantation Research	0254-6999-4609	Mt Sinai Sch of Med
93.855	I	N	189,950	Allergy, Immunology and Transplantation Research	1-340-0213085	RTI Rsch Triangle In
93.855	I	N	11,838	Allergy, Immunology and Transplantation Research	10466	Wake Forest Univ Sch Med
93.855	I	N	189,934	Allergy, Immunology and Transplantation Research	108084	Brigham Women's Hosp
93.855	I	N	6,652	Allergy, Immunology and Transplantation Research	108085	Brigham Women's Hosp
93.855	I	N	149,139	Allergy, Immunology and Transplantation Research	108088	Brigham Women's Hosp
93.855	I	N	36,389	Allergy, Immunology and Transplantation Research	108090	Brigham Women's Hosp
93.855	I	N	2,233	Allergy, Immunology and Transplantation Research	108273	Brigham Women's Hosp
93.855	I	N	112,898	Allergy, Immunology and Transplantation Research	108402	Brigham Women's Hosp
93.855	I	N	13,916	Allergy, Immunology and Transplantation Research	108488	Brigham Women's Hosp
93.855	I	N	23,625	Allergy, Immunology and Transplantation Research	108561	Brigham Women's Hosp
93.855	I	N	5,004	Allergy, Immunology and Transplantation Research	110007	Brigham Women's Hosp
93.855	I	N	24,874	Allergy, Immunology and Transplantation Research	110009	Brigham Women's Hosp
93.855	I	N	51,736	Allergy, Immunology and Transplantation Research	110014	Brigham Women's Hosp
93.855	I	N	58,614	Allergy, Immunology and Transplantation Research	110080	Brigham Women's Hosp
93.855	I	N	50	Allergy, Immunology and Transplantation Research	110233	Brigham Women's Hosp
93.855	I	N	7,412	Allergy, Immunology and Transplantation Research	110236	Brigham Women's Hosp
93.855	I	N	5,704	Allergy, Immunology and Transplantation Research	110238	Brigham Women's Hosp
93.855	I	N	280,809	Allergy, Immunology and Transplantation Research	110256	Brigham Women's Hosp
93.855	I	N	24,023	Allergy, Immunology and Transplantation Research	114621-5067469	Harvard Sch Pub Hlth
93.855	I	N	285,965	Allergy, Immunology and Transplantation Research	1186603	Dana-Farber Cancer
93.855	I	N	1,642	Allergy, Immunology and Transplantation Research	130219/PO#31002	Children's Hosp/Cinn
93.855	I	N	18,990	Allergy, Immunology and Transplantation Research	1R43AI096569-01	Novan Inc.

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93.855	I	N	21,678	Allergy, Immunology and Transplantation Research	2	Trust Columbia Univ NY
93.855	I	N	1,955,719	Allergy, Immunology and Transplantation Research	2000098352	Johns Hopkins Univ
93.855	I	N	190,074	Allergy, Immunology and Transplantation Research	2001935242	Johns Hopkins Univ
93.855	I	N	81,296	Allergy, Immunology and Transplantation Research	2002115654	Johns Hopkins Univ
93.855	I	N	343,879	Allergy, Immunology and Transplantation Research	2009-2312	Univ Calif-Irvine
93.855	I	N	-1,489	Allergy, Immunology and Transplantation Research	203-0868	Duke Univ
93.855	I	N	-2,279	Allergy, Immunology and Transplantation Research	203-0870	Duke Univ
93.855	I	N	-2,649	Allergy, Immunology and Transplantation Research	203-0872	Duke Univ
93.855	I	N	189,514	Allergy, Immunology and Transplantation Research	203-1099	Duke Univ
93.855	I	N	11,996	Allergy, Immunology and Transplantation Research	203-2315	Duke Univ Med Ctr
93.855	I	N	138,188	Allergy, Immunology and Transplantation Research	203-2319/203-13	Duke Univ Med Ctr
93.855	I	N	19,494	Allergy, Immunology and Transplantation Research	2031965	Duke Univ Med Ctr
93.855	I	N	94,858	Allergy, Immunology and Transplantation Research	2032654	Duke Univ
93.855	I	N	210,255	Allergy, Immunology and Transplantation Research	2033193	Duke Univ Med Ctr
93.855	I	N	960	Allergy, Immunology and Transplantation Research	212022-S4473	Fred Hutchinsn Can
93.855	I	N	2,658	Allergy, Immunology and Transplantation Research	212022-S4475	Fred Hutchinsn Can
93.855	I	N	45	Allergy, Immunology and Transplantation Research	212022-S4913	Fred Hutchinsn Can
93.855	I	N	134,607	Allergy, Immunology and Transplantation Research	2835409/P40669	Imperia Coleg London
93.855	I	N	9,322	Allergy, Immunology and Transplantation Research	302-0478	Duke Univ Med Ctr
93.855	I	N	37,905	Allergy, Immunology and Transplantation Research	302-0567	Duke Univ Med Ctr
93.855	I	N	381	Allergy, Immunology and Transplantation Research	303-5613	Duke Univ
93.855	I	N	129,557	Allergy, Immunology and Transplantation Research	4500001410	Boston Univ
93.855	I	N	25,909	Allergy, Immunology and Transplantation Research	4500001411	Boston Univ
93.855	I	N	7,409	Allergy, Immunology and Transplantation Research	473K174	Univ Wisconsin
93.855	I	N	87,906	Allergy, Immunology and Transplantation Research	490K582	Univ Wisconsin-Madis
93.855	I	N	150,378	Allergy, Immunology and Transplantation Research	559406	Univ of Pennsylvania
93.855	I	N	73,007	Allergy, Immunology and Transplantation Research	5R44AI084284-04	G-Zero Therapeutics
93.855	I	N	94,036	Allergy, Immunology and Transplantation Research	638915	Univ of Wash-Seattle
93.855	I	N	-14,665	Allergy, Immunology and Transplantation Research	7228	Magee Women Rsh Inst
93.855	I	N	52,458	Allergy, Immunology and Transplantation Research	7281	Magee Women Rsh Inst
93.855	I	N	130,261	Allergy, Immunology and Transplantation Research	7289	Magee Women Rsh Inst
93.855	I	N	-365	Allergy, Immunology and Transplantation Research	736772	Univ of Wash-Seattle
93.855	I	N	1	Allergy, Immunology and Transplantation Research	737103	Fred Hutchinsn Can
93.855	I	N	1	Allergy, Immunology and Transplantation Research	737206	Fred Hutchinsn Can
93.855	I	N	162	Allergy, Immunology and Transplantation Research	739817	Fred Hutchinsn Can
93.855	I	N	4,382	Allergy, Immunology and Transplantation Research	739819	Fred Hutchinsn Can
93.855	I	N	210,614	Allergy, Immunology and Transplantation Research	749398	Univ of Wash-Seattle
93.855	I	N	178,583	Allergy, Immunology and Transplantation Research	754876	Univ of Wash-Seattle
93.855	I	N	15,005	Allergy, Immunology and Transplantation Research	759220	Univ of Wash-Seattle
93.855	I	N	27,766	Allergy, Immunology and Transplantation Research	769695	Fred Hutchinsn Can
93.855	I	N	12,500	Allergy, Immunology and Transplantation Research	7837SC	Univ Calif San Franc
93.855	I	N	-4,262	Allergy, Immunology and Transplantation Research	9-526-6257	Albert Einstein Coll
93.855	I	N	508,808	Allergy, Immunology and Transplantation Research	9004157 UNCCH B	Oregon Hlth Sciences
93.855	I	N	4,283	Allergy, Immunology and Transplantation Research	9500301461	Boston Univ
93.855	I	N	5,843	Allergy, Immunology and Transplantation Research	9500301463	Boston Univ
93.855	I	N	66,289	Allergy, Immunology and Transplantation Research	AI068641	Inst Clinical Rsch
93.855	I	N	742	Allergy, Immunology and Transplantation Research	AVGTIO103	Oregon Hlth Sciences
93.855	I	N	-11,045	Allergy, Immunology and Transplantation Research	BRS-ACURE-Q-06-	Social & Scientific
93.855	I	N	29,196	Allergy, Immunology and Transplantation Research	FY14ITN008	Benaroya Rsch Inst
93.855	I	N	14,696	Allergy, Immunology and Transplantation Research	ITN050AD	Benaroya Rsch Inst
93.855	I	N	412,225	Allergy, Immunology and Transplantation Research	N/A	Brigham Women's Hosp

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93.855	I	N	21,049	Allergy, Immunology and Transplantation Research	P66162854R	Univ of Minnesota
93.855	I	N	66,571	Allergy, Immunology and Transplantation Research	PO#2001317148	Johns Hopkins Univ
93.855	I	N	485,832	Allergy, Immunology and Transplantation Research	PO#2001935242	Johns Hopkins Univ
93.855	I	N	38,635	Allergy, Immunology and Transplantation Research	PO#2923289X/WU-	Wash Univ-St Louis
93.855	I	N	60,555	Allergy, Immunology and Transplantation Research	S(GG008377)	Columbia Univ
93.855	I	N	179,448	Allergy, Immunology and Transplantation Research	W000474787-1001	Univ of Iowa
93.856	D	N	2,509	Microbiology and Infectious Diseases Research		
93.859	D	N	27,134,452	Biomedical Research and Research Training		
93.859	I	N	92,782	Biomedical Research and Research Training	0023300(122281-	Univ of Pittsburgh
93.859	I	N	15	Biomedical Research and Research Training	154181	Duke Univ
93.859	I	N	13,256	Biomedical Research and Research Training	203-1083	Duke Univ
93.859	I	N	17,773	Biomedical Research and Research Training	203-1990	Duke Univ Med Ctr
93.859	I	N	125,405	Biomedical Research and Research Training	203-3125	Duke Univ Med Ctr
93.859	I	N	6,563	Biomedical Research and Research Training	212851A	Univ of Oregon
93.859	I	N	79,035	Biomedical Research and Research Training	2140	Princeton Univ
93.859	I	N	135,415	Biomedical Research and Research Training	2141	Princeton Univ
93.859	I	N	364,865	Biomedical Research and Research Training	412K285	Univ Wisconsin
93.859	I	N	-238	Biomedical Research and Research Training	5 U01 GM094663-	Burnham Inst,
93.859	I	N	148,710	Biomedical Research and Research Training	55631-11504-UNC	Burnham Inst,
93.859	I	N	28,868	Biomedical Research and Research Training	60036168	Ohio State Univ
93.859	I	N	112,364	Biomedical Research and Research Training	61-0859UNC	Michigan St Univ
93.859	I	N	89,155	Biomedical Research and Research Training	659298	Jackson Laboratory
93.859	I	N	-340	Biomedical Research and Research Training	9-526-2457	Albert Einstein Coll
93.859	I	N	108,590	Biomedical Research and Research Training	9003879 (120682	Univ of Pittsburgh
93.859	I	N	-25,797	Biomedical Research and Research Training	9004929	Univ of Pittsburgh
93.859	I	N	4,902	Biomedical Research and Research Training	FY2012-096	Univ of Kansas
93.859	I	N	740	Biomedical Research and Research Training	M8446041102	Univ of Minnesota
93.859	I	N	68,243	Biomedical Research and Research Training	MUSC12-032	Med Univ of SC
93.859	I	N	51,773	Biomedical Research and Research Training	N/A	Cell Microsystems
93.859	I	N	253,948	Biomedical Research and Research Training	PO# 201720	Jackson Laboratory
93.859	I	N	50,369	Biomedical Research and Research Training	PO# 201776	Jackson Laboratory
93.859	I	N	7,730	Biomedical Research and Research Training	PO#200103	Jackson Laboratory
93.859	I	N	3,130	Biomedical Research and Research Training	R-11-0032	Univ of Houston
93.865	D	N	24,089,363	Child Health and Human Development Extramural Research		
93.865	I	N	-3,205	Child Health and Human Development Extramural Research	000312141-002	Univ of Alabama-Birm
93.865	I	N	145,329	Child Health and Human Development Extramural Research	000378020-001	Univ of Alabama-Birm
93.865	I	N	90,451	Child Health and Human Development Extramural Research	000388010-011	Univ of Alabama-Birm
93.865	I	N	46,201	Child Health and Human Development Extramural Research	000500716-001	Univ of Alabama-Birm
93.865	I	N	135,339	Child Health and Human Development Extramural Research	000503311-001	Univ of Alabama-Birm
93.865	I	N	1,102	Child Health and Human Development Extramural Research	1-312-0213113	RTI Rsch Triangle In
93.865	I	N	50,431	Child Health and Human Development Extramural Research	1-312-0213113/8	RTI Rsch Triangle In
93.865	I	N	67,634	Child Health and Human Development Extramural Research	14-NIH-1039	Duke Univ
93.865	I	N	40,449	Child Health and Human Development Extramural Research	14-NIH-1097	Duke Univ
93.865	I	N	118,102	Child Health and Human Development Extramural Research	1547811	Univ of Colorado
93.865	I	N	19,024	Child Health and Human Development Extramural Research	1R01HD072705-01	Eastern VA Med Sch
93.865	I	N	19,578	Child Health and Human Development Extramural Research	2012-2745	Univ Calif-Irvine
93.865	I	N	-3,451	Child Health and Human Development Extramural Research	203-1829	Duke Univ Med Ctr
93.865	I	N	15,864	Child Health and Human Development Extramural Research	203-2840	Duke Univ Med Ctr
93.865	I	N	14,048	Child Health and Human Development Extramural Research	3001978337	Univ of Michigan
93.865	I	N	126,664	Child Health and Human Development Extramural Research	40-4131/UNC	Nat Bureau Econ Res
93.865	I	N	32,338	Child Health and Human Development Extramural Research	4243-UNC-DHHS-0	Penn State Univ

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.865	I	N	26,044	Child Health and Human Development Extramural Research	554599	Univ of Wash-Seattle
93.865	I	N	142,264	Child Health and Human Development Extramural Research	60032241 UNC	Northwestern U Traf
93.865	I	N	147,908	Child Health and Human Development Extramural Research	727265	Univ of Wash-Seattle
93.865	I	N	114,083	Child Health and Human Development Extramural Research	9373	Women Infant Hosp Ri
93.865	I	N	17,753	Child Health and Human Development Extramural Research	GC12123-139438	Univ of Virginia
93.865	I	N	352,916	Child Health and Human Development Extramural Research	N/A	Duke Univ Med Ctr
93.865	I	N	63,598	Child Health and Human Development Extramural Research	PD301855-SC1024	VA Commonwealth Univ
93.865	I	N	10,557	Child Health and Human Development Extramural Research	PD302900-SC1052	VA Commonwealth Univ
93.865	I	N	33,168	Child Health and Human Development Extramural Research	R667020/1087411	Research Fdn of Suny
93.865	I	N	4,861	Child Health and Human Development Extramural Research	S826076	Emory Univ
93.865	I	N	12,367	Child Health and Human Development Extramural Research	UA12-051	Univ of Alabama-Tusc
93.865	I	N	57,128	Child Health and Human Development Extramural Research	VUMC35301	Vanderbilt Univ Med C
93.865	I	N	4,624	Child Health and Human Development Extramural Research	WU-14-234	Wash Univ-St Louis
93.866	D	N	4,258,956	Aging Research		
93.866	I	N	708	Aging Research	0255-2161-4609	Mt Sinai Sch of Med
93.866	I	N	260,904	Aging Research	13-NIH-1080	Duke Univ
93.866	I	N	18,679	Aging Research	2001442722	Johns Hopkins Univ
93.866	I	N	6,308	Aging Research	203-3340	Duke Univ
93.866	I	N	4,806	Aging Research	23030.914940.66	Cty Hope Nat Med Ctr
93.866	I	N	154,701	Aging Research	60037614	Ohio State Univ
93.866	I	N	30,956	Aging Research	90055	Hebrew Rehab Ctr
93.866	I	N	143,686	Aging Research	A12418	Rensselaer Polytechn
93.866	I	N	-730	Aging Research	N/A	Vortant Technologies
93.866	I	N	113,901	Aging Research	PO#50025514	Univ Southern Califo
93.866	I	N	102,051	Aging Research	RR540-176/49421	Univ of Georgia
93.867	D	N	2,558,970	Vision Research		
93.867	I	N	-14	Vision Research	0255-5081-4609	Mt Sinai Sch of Med
93.867	I	N	-848	Vision Research	10018990-01	Univ of Utah
93.867	I	N	20,842	Vision Research	1R41EY021943-01	Vascular Pharmaceuti
93.867	I	N	6,792	Vision Research	2000133834	Johns Hopkins Univ
93.867	I	N	10,265	Vision Research	2000540260	Johns Hopkins Univ
93.867	I	N	72,329	Vision Research	2001536656	Johns Hopkins Univ
93.867	I	N	7,637	Vision Research	PO #0000159964	Univ of Utah
93.867	I	N	15,771	Vision Research	W000569242	Univ of Iowa
93.879	D	N	7	Medical Library Assistance		
93.879	I	N	65,995	Medical Library Assistance	10028048-01	Univ of Utah
93.884	D	N	372,608	Grants for Primary Care Training and Enhancement		
93.918	D	N	596,833	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		
93.928	D	N	519,805	Special Projects of National Significance		
93.941	D	N	-1,845	HIV Demonstration, Research, Public and Professional Education Projects		
93.941	I	N	-5,802	HIV Demonstration, Research, Public and Professional Education Projects	115793	Wake Forest Univ
93.943	D	N	333,278	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups		
93.945	D	N	678,562	Assistance Programs for Chronic Disease Prevention and Control		
93.964	D	N	-457	Prevention and Public Health Fund (PPHF) Public Health Traineeships		
93.969	D	N	418,570	PPHF-2012 Geriatric Education Centers		
93.989	D	N	2,660,864	International Research and Research Training		
93.989	I	N	45,032	International Research and Research Training	5-R25TW008981-0	Stellenbosch Univer
93.989	I	N	28,559	International Research and Research Training	60035474 UNC	Northwestern Univ Traf

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93.989	I	N	20,331	International Research and Research Training	61-0012UNC	Michigan St Univ
93.989	I	N	50,306	International Research and Research Training	N/A	Univ of Zambia
93.989	I	N	3,559	International Research and Research Training	VUMC 34750	Vanderbilt Univ Med C
93.989	I	N	547	International Research and Research Training	VUMC 38477	Vanderbilt Univ Med C
93.989	I	N	31,020	International Research and Research Training	VUMC 39590	Vanderbilt Univ Med C
93.989	I	N	-4,795	International Research and Research Training	VUMC35568	Vanderbilt Univ Med C
93.991	I	N	7,881	Preventive Health and Health Services Block Grant	N/A	NE Dept SS
93.999	D	N	42,678	Test for Suppression Effects of Advanced Energy		
94.006	D	N	-87	AmeriCorps		
97	I	N	155,618	U. S. Department of Homeland Security	12-DHS-1035	Duke Univ
97	I	N	44,678	U. S. Department of Homeland Security	JCVI-13-010	J Craig Venter Inst
97	I	N	22,982	U. S. Department of Homeland Security	N/A	Natrl Hazard Mitigat
97.044	D	N	257,289	Assistance to Firefighters Grant		
97.061	D	N	2,174,843	Centers for Homeland Security		
97.061	I	N	2,259	Centers for Homeland Security	2102298-03	Stevens Inst Tech
97.122	D	N	3,397,511	Bio-Preparedness Collaboratory		
98	D	N	45,934,788	United States Agency for International Development		
98	I	N	29,370	United States Agency for International Development	0437.0158/80527	Family Health Intl
98	I	N	-6,970	United States Agency for International Development	08-UNC-97	Kenan Institute Asia
98	I	N	36,910	United States Agency for International Development	5305/2001208292	Johns Hopkins Univ
98	I	N	433,476	United States Agency for International Development	6015-S03	Westat
98	I	N	70,567	United States Agency for International Development	AID-623-A-12-00	IntraHealth
98	I	N	41,522	United States Agency for International Development	N/A	Right To Care
98	I	N	429,057	United States Agency for International Development	PPC-11-119	Eastern Va Med Sch
98	I	N	8,401	United States Agency for International Development	PPC-11-128	Eastern Va Med Sch
98	I	N	178,451	United States Agency for International Development	PPC-12-159	Eastern Va Med Sch
98	I	N	108,274	United States Agency for International Development	UNC001	Witkoppen Hlth Welfa
98.001	I	N	61,522	USAID Foreign Assistance for Programs Overseas	CCRDACD0006	Engiligy Corporation
98.012	I	N	188,867	USAID Development Partnerships for University Cooperation and Development	HED060-9748-LAC	Higher Educat Develo
99	D	N	354,379	Other Federal Assistance		
			<u>842,901,076</u>	Total — University of North Carolina at Chapel Hill		

University of North Carolina at Charlotte

10	D	N	3,134	U. S. Department of Agriculture		
10.310	D	N	194,646	Agriculture and Food Research Initiative (AFRI)		
10.652	D	N	10,359	Forestry Research		
11	I	N	75,398	U. S. Department of Commerce	70NANB13H192	Edison Welding Institute
11.481	I	N	20,459	Educational Partnership Program	003499-C3862	Florida A&M Univ
11.609	D	N	298,797	Measurement and Engineering Research and Standards		
12	D	N	355,230	U. S. Department of Defense		
12	I	N	3,818	U. S. Department of Defense	178504	Battelle Memorial Inst
12	I	N	69,255	U. S. Department of Defense	245450-1	Los Alamos National Sec
12	I	N	152,426	U. S. Department of Defense	2975-07-0530	Point One, LLC
12	I	N	3,807	U. S. Department of Defense	2975-14-0749	Nanohmics, Inc.
12	I	N	42,526	U. S. Department of Defense	2975-2012-0598	Irflex Corporation
12	I	N	112,932	U. S. Department of Defense	4300080655	B&W Y-12
12	I	N	17	U. S. Department of Defense	948-7558-201-2004604	Clemson Univ
12	I	N	15,321	U. S. Department of Defense	GC5464	Geosyntec Consultants
12	I	N	15,527	U. S. Department of Defense	PO157466	Univ of Southern Cal
12	I	N	11,540	U. S. Department of Defense	SB1204-001-7	Spectral Energies, LLC
12	I	N	12,612	U. S. Department of Defense	Sotera-SA-FY11-032	Sotera Defense Solutions

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12	I	N	18,764	U. S. Department of Defense	TSC-1034-34141	Technology Svs Corp
12.300	D	N	583,294	Basic and Applied Scientific Research		
12.300	I	N	20,586	Basic and Applied Scientific Research	201323A	Florida Institute of Tech
12.351	I	N	54,635	Basic Scientific Research-Combating Weapons of Mass Destruction	60040194	OSU Research Fnd
12.431	D	N	969,554	Basic Scientific Research		
12.431	I	N	179,193	Basic Scientific Research	NA	Univ of Illinois
12.630	D	N	112,181	Basic, Applied, and Advanced Research in Science and Engineering		
12.630	I	N	15,190	Basic, Applied, and Advanced Research in Science and Engineering	DOE SEP-5-12	Academy of Applied Science
12.800	D	N	612,543	Air Force Defense Research Sciences Program		
12.800	I	N	176,815	Air Force Defense Research Sciences Program	UF-EIES-1202005-UNC	Univ of Florida
12.901	I	N	4,131	Mathematical Sciences Grants Program	245153	Simons Foundation
12.902	D	N	4,333	Information Security Grant Program		
13	I	N	24,588	U. S. Central Intelligence Agency	411259706	Purdue Univ
14.703	I	N	70,605	Sustainable Communities Regional Planning Grant Program	5811-01/5811-02	Centralina Council of Govt
15.608	I	N	41,160	Fish and Wildlife Management Assistance	40181AJ186	Mississippi State Univ
17.282	D	N	169,716	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
17.502	D	N	23,088	Occupational Safety and Health-Susan Harwood Training Grants		
20.931	D	N	155,361	Transportation Planning, Research and Education		
43.001	D	N	4,747	Science		
43.008	D	N	979	Education		
45.160	D	N	486	Promotion of the Humanities-Fellowships and Stipends		
45.160	I	N	33,299	Promotion of the Humanities-Fellowships and Stipends	Letter Dated 2/28/13	Mass Historical Society
45.163	D	N	1,150	Promotion of the Humanities-Professional Development		
47.041	D	N	1,348,622	Engineering Grants		
47.041	I	N	86,725	Engineering Grants	00006051/1469963	UC-Berkeley
47.041	I	N	48,911	Engineering Grants	1158-7558-26-2006281	Clemson Univ
47.041	I	N	43,539	Engineering Grants	1617-206-2008989	Clemson Univ
47.041	I	N	15,382	Engineering Grants	478496-19773	Virginia Polytechnic Inst
47.041	I	N	3,426	Engineering Grants	GF-1667-2	Univ of North Texas
47.041	I	N	3,435	Engineering Grants	SUB082112/0003361	Univ of Rhode Island
47.049	D	N	809,105	Mathematical and Physical Sciences		
47.049	I	N	70,912	Mathematical and Physical Sciences	1001217-UNCC	Univ of Wyoming
47.050	D	N	45,569	Geosciences		
47.070	D	N	2,681,200	Computer and Information Science and Engineering		
47.070	I	N	7,813	Computer and Information Science and Engineering	00000195 (PO#P254493)	Brown Univ
47.070	I	N	1,475	Computer and Information Science and Engineering	09-059	Arizona State Univ
47.070	I	N	7,777	Computer and Information Science and Engineering	RD199-G2	Georgia Institute of Technology
47.074	D	N	440,393	Biological Sciences		
47.074	I	N	31,513	Biological Sciences	RC371-226-4941666	Univ of Georgia Res Fnd
47.075	D	N	403,874	Social, Behavioral, and Economic Sciences		
47.075	I	N	14,739	Social, Behavioral, and Economic Sciences	8(GG0028707)	Columbia Univ SUNY
47.076	D	N	1,756,300	Education and Human Resources		
47.076	I	N	26,094	Education and Human Resources	1348810-12-UNC	Horizon
47.076	I	N	68,105	Education and Human Resources	4101-48922	Purdue Univ
47.076	I	N	24,438	Education and Human Resources	92-NC08-NSF2013	Natl Writing Project Corp
47.076	I	N	1,249	Education and Human Resources	Agreement dated 6/17/13	Stevens Inst of Technol
47.076	I	N	17,292	Education and Human Resources	G001103-7505	Southern Methodist Univ
47.079	I	N	7,461	Office of International and Integrative Activities	202200545-02	Florida International Univ
47.079	I	N	65	Office of International and Integrative Activities	UKB1-7109-TE-13	CRDF Global
47.080	D	N	159,726	Office of Cyberinfrastructure		

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47.082	D	N	480,001	Trans-NSF Recovery Act Reasearch Support		
66.509	I	N	9,922	Science To Achieve Results (STAR) Research Program	8000001508.2	Texas State Univ-San Marcos
66.516	D	N	83	P3 Award: National Student Design Competition for Sustainability		
66.808	I	N	1,475	Solid Waste Management Assistance Grants	2975-2013-0036	Green Blue Institute, Inc.
81	I	N	31,799	U. S. Department of Energy	AEJ-2-11809-19	Natl Renewable Energy Lab
81.042	D	N	142,494	Weatherization Assistance for Low-Income Persons		
81.049	D	N	61,630	Office of Science Financial Assistance Program		
81.087	I	N	68,847	Renewable Energy Research and Development	10001630	EPRI
81.087	I	N	104,804	Renewable Energy Research and Development	Service Agreement 1/1/13	SineWatts
81.089	I	N	13,009	Fossil Energy Research and Development	000278412-006	Univ Alabama-Birm
81.129	D	N	223,194	Energy Efficiency and Renewable Energy Technology Deployment, Demonstration and Commercializator		
84	I	N	204,785	U. S. Department of Education	ED-IES-11-C-0027	Attainment Company, Inc
84	I	N	20,886	U. S. Department of Education	PO#9030849	Charlotte Mecklenburg BOE
84.007	D	N	605,788	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	665,884	Federal Work-Study Program		
84.038	D	N	6,872,490	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	258,834	TRIO-Student Support Services		
84.063	D	N	37,201,541	Federal Pell Grant Program		
84.116	D	N	74,133	Fund for the Improvement of Postsecondary Education		
84.200	D	N	21,430	Graduate Assistance in Areas of National Need		
84.268	D	N	130,632,420	Federal Direct Student Loans		
84.324	D	N	862,114	Research in Special Education		
84.324	I	N	242,548	Research in Special Education	224311A	Univ of Oregon
84.324	I	N	5,262	Research in Special Education	5-000561	Univ of California-Riverside
84.325	D	N	698,303	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.326	D	N	941,299	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		
84.326	I	N	1,352	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	224440D	Univ of Oregon
84.326	I	N	75,311	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	FY2013-039	Univ of Kansas Cntr Rsch
84.367	I	N	22,933	Improving Teacher Quality State Grants	92-NC08-SEED2012	National Writing Project
84.373	I	N	455,294	Special Education-Technical Assistance on State Data Collection	A001945802	Univ of Minnesota
93.110	I	N	42,816	Maternal and Child Health Federal Consolidated Programs	RS20110719-02	Univ of Oklahoma
93.124	D	N	32,706	Nurse Anesthetist Traineeships		
93.226	I	N	13,000	Research on Healthcare Costs, Quality and Outcomes	WFUHS 118165	Wake Forest Univ HS
93.286	D	N	10,000	Discovery and Applied Research for Technological Innovations to Improve Human Health		
93.307	I	N	84,537	Minority Health and Health Disparities Research	DOE 9/11/13	Carolinas Medical Center
93.307	I	N	8,356	Minority Health and Health Disparities Research	RN0078-2013-001	Univ of North Texas
93.359	I	N	45,352	Nurse Education, Practice Quality and Retention Grants	1518988	Univ of Illinois
93.389	D	N	230,123	National Center for Research Resources		
93.393	D	N	32,546	Cancer Cause and Prevention Research		
93.393	I	N	18,199	Cancer Cause and Prevention Research	WFUHS 558377	Wake Forest Univ HS
93.394	I	N	7,004	Cancer Detection and Diagnosis Research	223808	Mass General Hospital
93.394	I	N	15,479	Cancer Detection and Diagnosis Research	261601-83-61	Univ of Texas-Arlington
93.395	D	N	374,270	Cancer Treatment Research		
93.396	D	N	200,161	Cancer Biology Research		
93.399	I	N	82,472	Cancer Control	215250A	Univ of Oregon
93.701	D	N	82,666	Trans-NIH Recovery Act Research Support		

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93.837	I	N	68,159	Cardiovascular Diseases Research	VUMC42078	Vanderbilt Univ
93.846	I	N	6,739	Arthritis, Musculoskeletal and Skin Diseases Research	3048108355-12-317	Univ of Kentucky Rsch Fdn
93.846	I	N	17,872	Arthritis, Musculoskeletal and Skin Diseases Research	7R03AR061561	Ithaca College
93.853	D	N	693,412	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.853	I	N	11,998	Extramural Research Programs in the Neurosciences and Neurological Disorders	Project #11118	Georgia Southern Univ
93.855	I	N	89,425	Allergy, Immunology and Transplantation Research	769699	Fred Hutchinson Cancer Center
93.859	D	N	693,655	Biomedical Research and Research Training		
93.866	I	N	29,540	Aging Research	2011-23	Davidson College
93.925	D	N	592,460	Scholarships for Health Professions Students from Disadvantaged Backgrounds		
93.941	D	N	263,011	HIV Demonstration, Research, Public and Professional Education Projects		
97.061	I	N	200,438	Centers for Homeland Security	4112-51775	Purdue Univ
97.061	I	N	48,140	Centers for Homeland Security	B586747	Lawrence Livermore NL
			<u>197,793,743</u>	Total — University of North Carolina at Charlotte		
University of North Carolina at Greensboro						
10.217	D	N	71,502	Higher Education-Institution Challenge Grants Program		
10.250	D	N	5,695	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations		
10.253	D	N	35,830	Food Assistance and Nutrition Research Programs (FANRP)		
10.255	I	N	2,273	Research Innovation and Development Grants in Economic (RIDGE)	018000.321470.17	Mississippi State Univ
10.255	I	N	36,657	Research Innovation and Development Grants in Economic (RIDGE)	471K461	Univ of Wisconsin-Madison
10.310	D	N	83,177	Agriculture and Food Research Initiative (AFRI)		
10.583	I	N	32,534	Hunger Free Communities	#2001407938	John Hopkins Univ
10.664	D	N	1,271	Cooperative Forestry Assistance		
12	D	N	63,929	U. S. Department of Defense		
12.431	I	N	28,550	Basic Scientific Research	P010202825	Science Applications International Corp
12.800	I	N	235	Air Force Defense Research Sciences Program	FWL-SC-11201-01	Foresight Wireless, LLC
12.901	D	N	39,103	Mathematical Sciences Grants Program		
14.703	I	N	525	Sustainable Communities Regional Planning Grant Program	FD 205441	Piedmont Authority for Regional Transportation
14.704	I	N	711	Community Challenge Planning Grants and the Department of Transportation's TIGER II Planning Grants	FD 205507	City of High Point
14.900	I	N	19,806	Lead-Based Paint Hazard Control in Privately-Owned Housing	2013-5268	City of High Point
16	D	N	43,293	U. S. Department of Justice		
45.024	D	N	19,946	Promotion of the Arts-Grants to Organizations and Individuals		
45.160	D	N	909	Promotion of the Humanities-Fellowships and Stipends		
45.160	I	N	86	Promotion of the Humanities-Fellowships and Stipends	FD 205502	City of Chicago Newberry Library
45.301	D	N	175,000	Museums for America		
45.313	D	N	395,989	Laura Bush 21st Century Librarian Program		
47.041	D	N	23,529	Engineering Grants		
47.049	D	N	227,380	Mathematical and Physical Sciences		
47.049	I	N	19,440	Mathematical and Physical Sciences	#2006240	Univ of Minnesota
47.070	D	N	60,269	Computer and Information Science and Engineering		
47.074	D	N	146,036	Biological Sciences		
47.075	D	N	87,071	Social, Behavioral, and Economic Sciences		
47.075	I	N	15,991	Social, Behavioral, and Economic Sciences	#3002539950	Univ of Michigan
47.076	D	N	1,622,959	Education and Human Resources		
47.076	I	N	63,076	Education and Human Resources	#3002578934	Univ of Michigan
47.076	I	N	8,545	Education and Human Resources	2-312-0213140	Research Triangle Institute International
47.076	I	N	5,110	Education and Human Resources	61-2168UNCG	Michigan State Univ
47.076	I	N	1,001	Education and Human Resources	RF01170813/60018933	Ohio State Univ
47.076	I	N	73,870	Education and Human Resources	UTA13-000932	Univ of Texas

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47.079	D	N	7,121	Office of International and Integrative Activities		
47.082	D	Y	37,372	ARRA - Trans-NSF Recovery Act Reasearch Support		
66	D	N	15,538	U. S. Environmental Protection Agency		
84	D	N	854,345	U. S. Department of Education		
84.007	D	N	503,000	Federal Supplemental Educational Opportunity Grants		
84.011	I	N	79,864	Migrant Education-State Grant Program	130544	Texas State Univ
84.031	D	N	478,184	Higher Education-Institutional Aid		
84.033	D	N	397,011	Federal Work-Study Program		
84.038	D	N	5,904,166	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	281,968	TRIO-Student Support Services		
84.063	D	N	28,494,025	Federal Pell Grant Program		
84.116	I	N	10,992	Fund for the Improvement of Postsecondary Education	B-3	National Commission on Teaching and Americans Future
84.196	I	N	8,019	Education for Homeless Children and Youth	206-13-6291-SV-160-2	Region 10 Education Service Center
84.268	D	N	86,347,713	Federal Direct Student Loans		
84.305	D	N	567,749	Education Research, Development and Dissemination		
84.305	I	N	2,319	Education Research, Development and Dissemination	#2001631854	John Hopkins Univ
84.305	I	N	279	Education Research, Development and Dissemination	GM 10087-125783	Univ of Virginia
84.324	I	N	26,094	Research in Special Education	GM 10118-136450	Univ of Virginia
84.325	D	N	523,094	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.325	I	N	24,492	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	#83401	Salus Univ
84.365	D	N	1,292	English Language Acquisition State Grants		
84.377	I	N	18,678	School Improvement Grants	T195N070291-10	Alabama Dept of Education
84.379	D	N	34,662	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
84.384	I	Y	24,516	ARRA - Statewide Data Systems, Recovery Act	R384A100037-5641-867	Virginia Dept of Education
84.395	I	Y	103,074	ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	3-5400-157-311	Winston Salem Forsyth County Schools
84.405	D	Y	1,166,324	ARRA - Teacher Quality Partnerships, Recovery Act		
84.411	I	N	42,989	Investing in Innovation (i3) Fund	#511138	Teachers College Columbia Univ
84.411	I	N	48,309	Investing in Innovation (i3) Fund	SRV11TA-025	NC New Schools Project Inc
84.411	I	N	187,349	Investing in Innovation (i3) Fund	SRV12TA-026	NC New Schools Project Inc
84.411	I	N	266,651	Investing in Innovation (i3) Fund	U411B120049	Jobs For The Future
84.412	I	N	57,276	Race to the Top-Early Learning Challenge	Sub-20130	Guilford Child Development
93	I	N	33,566	U. S. Department of Health and Human Services	#516614	Columbia Univ
93	I	N	62,904	U. S. Department of Health and Human Services	SAMHSA# HHSS28320070	Research Triangle Institute International
93.104	I	N	34,245	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	AC-000003	Alamance Co Dept Social Services
93.110	I	N	5,751	Maternal and Child Health Federal Consolidated Programs	S854432	Emory Univ
93.124	D	N	54,406	Nurse Anesthetist Traineeships		
93.191	D	N	177,768	Graduate Psychology Education Program and Patient Navigator and Chronic Disease Prevention Program		
93.213	D	N	606,188	Research and Training in Complementary and Alternative Medicine		
93.213	I	N	147,293	Research and Training in Complementary and Alternative Medicine	724787	Univ of Washington
93.242	D	N	1,253,665	Mental Health Research Grants		
93.242	I	N	132,589	Mental Health Research Grants	203-3280	Duke Univ
93.242	I	N	12,584	Mental Health Research Grants	303-1237	Duke Univ
93.242	I	N	29,745	Mental Health Research Grants	WFUHS 10075	Wake Forest Univ
93.265	D	N	198,877	Comprehensive Geriatric Education Program(CGEP)		
93.265	I	N	28,127	Comprehensive Geriatric Education Program(CGEP)	E2026821	George Mason Univ
93.273	D	N	723,288	Alcohol Research Programs		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
93.273	I	N	94,748	Alcohol Research Programs	#20130028.1	Prevention Strategies LLC
93.279	D	N	386,493	Drug Abuse and Addiction Research Programs		
93.279	I	N	105,569	Drug Abuse and Addiction Research Programs	#20110207	Prevention Strategies LLC
93.279	I	N	4,937	Drug Abuse and Addiction Research Programs	1-R43-DA035765-01	Luna Innovations, Inc
93.279	I	N	24,153	Drug Abuse and Addiction Research Programs	13091267-S	Cornell Univ
93.279	I	N	89,669	Drug Abuse and Addiction Research Programs	360782-04760-02	Temple Univ
93.279	I	N	2,091	Drug Abuse and Addiction Research Programs	541750P03683	Northeastern Univ
93.307	D	N	1,171,797	Minority Health and Health Disparities Research		
93.351	D	N	230,973	Research Infrastructure Programs		
93.358	D	N	303,221	Advanced Education Nursing Traineeships		
93.361	D	N	178,220	Nursing Research		
93.395	I	N	33,531	Cancer Treatment Research	#60014860	Ohio State Univ
93.575	I	N	101,438	Child Care and Development Block Grant	46900-621-V14UNCG009	Georgia Dept of Early Care and Learning
93.576	D	N	182,189	Refugee and Entrant Assistance-Discretionary Grants		
93.600	D	N	31,159	Head Start		
93.647	I	N	46,934	Social Services Research and Demonstration	90PH0025	Child Trends
93.708	I	Y	32,188	ARRA - Head Start	FD 208920	NC Early Childhood Advisory Council
93.846	I	N	32,129	Arthritis, Musculoskeletal and Skin Diseases Research	#2039384	Duke Univ
93.847	D	N	281,129	Diabetes, Digestive, and Kidney Diseases Extramural Research		
93.853	D	N	213,319	Extramural Research Programs in the Neurosciences and Neurological Disorders		
93.855	D	N	81,553	Allergy, Immunology and Transplantation Research		
93.855	I	N	53,077	Allergy, Immunology and Transplantation Research	NIH 2R44A1092914-03	Tunitas Therapeutics, Inc
93.859	D	N	239,803	Biomedical Research and Research Training		
93.859	I	N	118,656	Biomedical Research and Research Training	122098 G003250	Washington State Univ
93.865	D	N	918,512	Child Health and Human Development Extramural Research		
93.865	I	N	227,778	Child Health and Human Development Extramural Research	431500-19728	Virginia Polytechnic Inst
93.865	I	N	310,335	Child Health and Human Development Extramural Research	AA-5-44452-01	Oklahoma State Univ
93.865	I	N	60,624	Child Health and Human Development Extramural Research	RTI MASTER 888-11-16	Research Triangle Institute International
93.865	I	N	11,986	Child Health and Human Development Extramural Research	UTA11-000808	Univ of Texas
93.866	D	N	205,127	Aging Research		
			<u>139,200,097</u>	Total — University of North Carolina at Greensboro		

University of North Carolina at Pembroke

17.259	I	N	341,956	WIA Youth Activities	44-13-5467-Yth	LRCOG
20.205	D	N	42,594	Highway Planning and Construction		
81.087	D	N	91,742	Renewable Energy Research and Development		
84.007	D	N	121,671	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	593,284	Higher Education-Institutional Aid		
84.033	D	N	171,736	Federal Work-Study Program		
84.038	D	N	842,698	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	263,421	TRIO-Student Support Services		
84.063	D	N	12,970,241	Federal Pell Grant Program		
84.268	D	N	30,399,210	Federal Direct Student Loans		
84.299	D	N	300,438	Indian Education-Special Programs for Indian Children		
84.379	D	N	90,178	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
84.382	D	N	471,507	Strengthening Minority-Serving Institutions		
93.859	D	N	269,009	Biomedical Research and Research Training		
93.926	D	N	321,309	Healthy Start Initiative		
			<u>47,290,994</u>	Total — University of North Carolina at Pembroke		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
University of North Carolina at Wilmington						
10.200	D	N	1	Grants for Agricultural Research, Special Research Grants		
10.206	D	N	22,537	Grants for Agricultural Research-Competitive Research Grants		
11.012	I	N	77,527	Integrated Ocean Observing System (IOOS)	IOOS.11(033)UNCW.LL.OBS.3	Secoora
11.012	I	N	310,581	Integrated Ocean Observing System (IOOS)	IOOS.11(33)UNCW.LL.OBS.2	Secoora
11.417	I	N	1,131	Sea Grant Support	RO1607	Florida State Univ
11.427	D	N	16,728	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program		
11.432	I	N	3,926	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	URH35 (2.3)	Florida Atlantic Univ
11.432	I	N	215,695	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	URH35-040130	Florida Atlantic Univ
11.439	D	N	77,967	Marine Mammal Data Program		
11.463	D	N	13,849	Habitat Conservation		
11.463	I	N	2,586	Habitat Conservation	05122014.3888.01	Nature Conservancy
11.467	I	N	15,374	Meteorologic and Hydrologic Modernization Development	NA1ONWS4670015	East Tennessee State Univ
11.472	I	N	10,256	Unallied Science Program	sub NA10NMF4720402	Ptnrshp for Mid Atlantic Fisheries Science
11.618	D	Y	1,674,728	ARRA - National Institute of Standards and Technology Construction Grant Program		
12.300	D	N	215,969	Basic and Applied Scientific Research		
12.900	D	N	84,355	Language Grant Program		
15.810	D	N	3,717	National Cooperative Geologic Mapping Program		
15.904	I	N	2,044	Historic Preservation Fund Grants-In-Aid	54105-A	Western Washington Univ
15.945	D	N	1,265	Cooperative Research and Training Programs-Resources of the National Park System		
15.945	I	N	12,472	Cooperative Research and Training Programs-Resources of the National Park System	Subaward 13-2214	Univ of South Carolina
16.525	D	N	24,243	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus		
16.560	I	N	27,351	National Institute of Justice Research, Evaluation, and Development Project Grants	4000121918	UT-Battelle LLC
42.002	I	N	19,475	Copyright Service	sub GA GA08C0016	Waynesburg College
43.001	D	N	125,595	Science		
45.024	D	N	22,623	Promotion of the Arts-Grants to Organizations and Individuals		
45.149	D	N	5,980	Promotion of the Humanities-Division of Preservation and Access		
47.049	D	N	253,346	Mathematical and Physical Sciences		
47.050	D	N	533,221	Geosciences		
47.050	I	N	91,800	Geosciences	45-25162	Columbia Univ
47.050	I	N	39,373	Geosciences	A100983	Woods Hole Oceanographic Institution
47.074	D	N	447,132	Biological Sciences		
47.074	I	N	86,671	Biological Sciences	131817	Univ of Arizona
47.074	I	N	26,719	Biological Sciences	717511-712683	Virginia Institute of Marine Science
47.074	I	N	15,500	Biological Sciences	EF-0905606	Duke Univ
47.074	I	N	832	Biological Sciences	Y483309	Univ of Arizona
47.075	D	N	35,509	Social, Behavioral, and Economic Sciences		
47.076	D	N	253,917	Education and Human Resources		
47.076	I	N	898	Education and Human Resources	4554-UNCW-NSF-4670	Pennsylvania State Univ
47.078	D	N	28,679	Polar Programs		
47.082	D	Y	854	ARRA - Trans-NSF Recovery Act Reasearch Support		
84.007	D	N	230,076	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	262,917	Federal Work-Study Program		
84.038	D	N	5,002,053	Federal Perkins Loan Program-Federal Capital Contributions		
84.063	D	N	15,019,986	Federal Pell Grant Program		
84.116	D	N	37,653	Fund for the Improvement of Postsecondary Education		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.234	I	N	37,456	Projects with Industry	RR242-421/4785206	Univ of Georgia
84.268	D	N	70,095,218	Federal Direct Student Loans		
84.365	D	N	339,668	English Language Acquisition State Grants		
84.366	I	N	26,629	Mathematics and Science Partnerships	MSP FY14-15 (PBM)	Onslow County Schools
84.366	I	N	14,879	Mathematics and Science Partnerships	Partner IHE MSP (CE-STEM)	Onslow County Schools
84.379	D	N	112,510	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
84.396	I	Y	218,252	ARRA - State Fiscal Stabilization Fund (SFSF) - Investing in Innovation (i3) Fund, Recovery Act	60033310	Ohio State Univ
93.113	D	N	50,044	Environmental Health		
93.213	D	N	130,222	Research and Training in Complementary and Alternative Medicine		
93.276	I	N	4,963	Drug-Free Communities Support Program Grants	UNCW Crossroads	Coastal Horizons Center Inc
93.279	D	N	71,244	Drug Abuse and Addiction Research Programs		
93.855	D	N	11,430	Allergy, Immunology and Transplantation Research		
93.859	D	N	86,766	Biomedical Research and Research Training		
93.865	D	N	5,832	Child Health and Human Development Extramural Research		
93.866	D	N	242,373	Aging Research		
			<u>96,802,597</u>	Total — University of North Carolina at Wilmington		
University of North Carolina School of the Arts						
84.007	D	N	44,764	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	35,232	Federal Work-Study Program		
84.038	D	N	577,924	Federal Perkins Loan Program-Federal Capital Contributions		
84.063	D	N	1,052,849	Federal Pell Grant Program		
84.268	D	N	6,351,605	Federal Direct Student Loans		
			<u>8,062,374</u>	Total — University of North Carolina School of the Arts		
Western Carolina University						
10.435	D	N	91,568	State Mediation Grants		
10.652	D	N	82,615	Forestry Research		
11.303	D	N	128,710	Economic Development-Technical Assistance		
11.469	D	N	59,359	Congressionally Identified Awards and Projects		
12.800	D	N	18,270	Air Force Defense Research Sciences Program		
12.910	I	N	1,322	Research and Technology Development	64016304-01	Univ of Central Florida
15.657	D	N	72,696	Endangered Species Conservation-Recovery Implementation Funds		
15.945	D	N	175,795	Cooperative Research and Training Programs-Resources of the National Park System		
16.560	D	N	137,510	National Institute of Justice Research, Evaluation, and Development Project Grants		
45.024	I	N	2,400	Promotion of the Arts-Grants to Organizations and Individuals	201-11-Southern Circuit	Southern Arts
47.041	I	N	19,843	Engineering Grants	IIP-1068028	National Science Foundation
47.049	D	N	1,446	Mathematical and Physical Sciences		
47.074	I	N	33,335	Biological Sciences	1475-206-2007430	Clemson Univ
47.075	D	N	36,368	Social, Behavioral, and Economic Sciences		
47.076	D	N	59,067	Education and Human Resources		
59.037	D	N	394,243	Small Business Development Centers		
84.007	D	N	193,300	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	394,885	Federal Work-Study Program		
84.038	D	N	7,094,895	Federal Perkins Loan Program-Federal Capital Contributions		
84.044	D	N	336,702	TRIO-Talent Search		
84.063	D	N	14,011,825	Federal Pell Grant Program		
84.268	D	N	55,231,650	Federal Direct Student Loans		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.325	D	N	106,844	Special Education-Personnel Development to Improve Services and Results for Children with Disabilities		
84.334	I	N	531	Gaining Early Awareness and Readiness for Undergraduate Programs	P334S120003	US Department of Education
84.368	I	N	2,623	Grants for Enhanced Assessment Instruments	ED11-0003-1	Arizona Dept of Education
84.407	D	N	387,992	Transition Programs for Students with Intellectual Disabilities into Higher Education		
93.124	D	N	13,791	Nurse Anesthetist Traineeships		
93.135	I	N	18,832	Centers for Research and Demonstration for Health Promotion and Disease Prevention	5U48DP001921-05S1	USDHHS/CDC/ncccdphp
93.178	D	N	272,868	Nursing Workforce Diversity		
93.247	D	N	365,613	Advanced Nursing Education Grant Program		
93.358	D	N	344,520	Advanced Education Nursing Traineeships		
93.630	I	N	116,423	Developmental Disabilities Basic Support and Advocacy Grants	29873	USDHHS
93.701	D	Y	77,229	ARRA - Trans-NIH Recovery Act Research Support		
93.865	D	N	27,720	Child Health and Human Development Extramural Research		
			<u>80,312,790</u>	Total — Western Carolina University		
Winston-Salem State University						
10.310	D	N	8,933	Agriculture and Food Research Initiative (AFRI)		
12.630	D	N	51,238	Basic, Applied, and Advanced Research in Science and Engineering		
14.520	D	N	193,234	Historically Black Colleges and Universities Program		
16.609	D	N	-745	Project Safe Neighborhoods		
45.162	D	N	24,760	Promotion of the Humanities-Teaching and Learning Resources and Curriculum Development		
47.049	D	N	31,548	Mathematical and Physical Sciences		
47.070	D	N	20,804	Computer and Information Science and Engineering		
47.074	D	N	120,778	Biological Sciences		
47.076	D	N	1,053,400	Education and Human Resources		
84.007	D	N	548,395	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	6,573,565	Higher Education-Institutional Aid		
84.033	D	N	566,423	Federal Work-Study Program		
84.038	D	N	1,028,360	Federal Perkins Loan Program-Federal Capital Contributions		
84.042	D	N	219,204	TRIO-Student Support Services		
84.047	D	N	90	TRIO-Upward Bound		
84.063	D	N	13,004,088	Federal Pell Grant Program		
84.120	D	N	1,166	Minority Science and Engineering Improvement		
84.129	D	N	7,608	Rehabilitation Long-Term Training		
84.268	D	N	32,562,498	Federal Direct Student Loans		
84.315	D	N	208,244	Capacity Building for Traditionally Underserved Populations		
84.382	D	N	293,659	Strengthening Minority-Serving Institutions		
93.307	D	N	8,710	Minority Health and Health Disparities Research		
93.358	D	N	349,995	Advanced Education Nursing Traineeships		
93.364	D	N	4,988	Nursing Student Loans		
93.779	D	N	50,023	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		
93.859	D	N	187,456	Biomedical Research and Research Training		
93.865	D	N	75,417	Child Health and Human Development Extramural Research		
93.925	D	N	1,009,329	Scholarships for Health Professions Students from Disadvantaged Backgrounds		
			<u>58,203,168</u>	Total — Winston-Salem State University		
			<u>2,557,356,679</u>	Total — University of North Carolina System		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
Community Colleges:						
Alamance Community College						
84.007	D	N	119,136	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	115,363	Federal Work-Study Program		
84.063	D	N	8,954,788	Federal Pell Grant Program		
			<u>9,189,287</u>	Total — Alamance Community College		
Asheville-Buncombe Technical Community College						
10.305	D	N	57,416	International Science and Education Grants		
17.258	I	N	71,582	WIA Adult Program	WIA-2012-0412-61-57-02	Mountain Area Workforce Development
17.258	I	N	24,734	WIA Adult Program	WIA-Aspire	Mountain Area Workforce Development
17.260	I	N	14,351	WIA Dislocated Workers	WIA-2012-0412-61-11-02	Mountain Area Workforce Development
17.260	I	N	20,575	WIA Dislocated Workers	WIA-2012-0412-61-57-02	Mountain Area Workforce Development
81.117	D	N	240,671	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		
84.007	D	N	78,303	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	117,443	Federal Work-Study Program		
84.063	D	N	12,877,912	Federal Pell Grant Program		
84.268	D	N	10,605,199	Federal Direct Student Loans		
			<u>24,108,186</u>	Total — Asheville-Buncombe Technical Community College		
Beaufort County Community College						
84.007	D	N	40,076	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	38,844	Federal Work-Study Program		
84.042	D	N	340,250	TRIO-Student Support Services		
84.063	D	N	4,836,188	Federal Pell Grant Program		
84.268	D	N	5,103,052	Federal Direct Student Loans		
			<u>10,358,410</u>	Total — Beaufort County Community College		
Bladen Community College						
17.259	I	N	158,654	WIA Youth Activities	44-12-5227-Ad/DW/Yth	Lumber River Council of Government
84.007	D	N	50,745	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	46,708	Federal Work-Study Program		
84.063	D	N	4,110,353	Federal Pell Grant Program		
			<u>4,366,460</u>	Total — Bladen Community College		
Blue Ridge Community College						
17.258	I	N	119,950	WIA Adult Program	N/A	Land of Sky Regional Council
17.260	I	N	179,838	WIA Dislocated Workers	N/A	Land of Sky Regional Council
64.028	D	N	89,425	Post-9/11 Veterans Educational Assistance		
84.007	D	N	55,250	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	55,710	Federal Work-Study Program		
84.063	D	N	4,072,225	Federal Pell Grant Program		
84.268	D	N	1,912,691	Federal Direct Student Loans		
			<u>6,485,089</u>	Total — Blue Ridge Community College		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Brunswick Community College</u>						
47.081	D	N	36,260	Office of Experimental Program to Stimulate Competitive Research		
84.033	D	N	22,572	Federal Work-Study Program		
84.063	D	N	2,745,057	Federal Pell Grant Program		
			<u>2,803,889</u>	Total — Brunswick Community College		
<u>Caldwell Community College and Technical Institute</u>						
84.007	D	N	68,527	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	78,980	Federal Work-Study Program		
84.042	D	N	274,365	TRIO-Student Support Services		
84.044	D	N	217,808	TRIO-Talent Search		
84.063	D	N	7,203,068	Federal Pell Grant Program		
			<u>7,842,748</u>	Total — Caldwell Community College and Technical Institute		
<u>Cape Fear Community College</u>						
84.007	D	N	111,252	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	136,666	Federal Work-Study Program		
84.063	D	N	17,496,623	Federal Pell Grant Program		
84.268	D	N	14,436,470	Federal Direct Student Loans		
			<u>32,181,011</u>	Total — Cape Fear Community College		
<u>Carteret Community College</u>						
17.258	I	N	66,534	WIA Adult Program	2020	ECWDB
17.278	I	N	45,209	WIA Dislocated Worker Formula Grants	2020	ECWDB
84.007	D	N	30,400	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	33,400	Federal Work-Study Program		
84.042	D	N	234,726	TRIO-Student Support Services		
84.063	D	N	3,452,030	Federal Pell Grant Program		
84.268	D	N	6,648	Federal Direct Student Loans		
84.335	D	N	18,226	Child Care Access Means Parents in School		
			<u>3,887,173</u>	Total — Carteret Community College		
<u>Catawba Valley Community College</u>						
84.007	D	N	143,010	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	72,695	Federal Work-Study Program		
84.063	D	N	8,017,131	Federal Pell Grant Program		
84.268	D	N	1,907,499	Federal Direct Student Loans		
			<u>10,140,335</u>	Total — Catawba Valley Community College		
<u>Central Carolina Community College</u>						
84.007	D	N	71,350	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	458,740	Higher Education-Institutional Aid		
84.033	D	N	61,233	Federal Work-Study Program		
84.047	D	N	482,415	TRIO-Upward Bound		
84.063	D	N	9,156,737	Federal Pell Grant Program		
			<u>10,230,475</u>	Total — Central Carolina Community College		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Central Piedmont Community College</u>						
17.268	D	N	1,088,843	H-1B Job Training Grants		
45.164	I	N	1,000	Promotion of the Humanities-Federal/State Partnership	N/A	Gilder Lehrman Institute
84.007	D	N	645,660	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	528,080	Federal Work-Study Program		
84.042	D	N	323,367	TRIO-Student Support Services		
84.063	D	N	38,119,744	Federal Pell Grant Program		
84.160	I	N	379	Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind	H160B100002	Northeastern Univ
84.268	D	N	22,492,210	Federal Direct Student Loans		
			<u>63,199,283</u>	Total — Central Piedmont Community College		
<u>Cleveland Community College</u>						
17.282	D	N	1,472,776	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants		
84.007	D	N	66,250	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	61,416	Higher Education-Institutional Aid		
84.033	D	N	70,979	Federal Work-Study Program		
84.042	D	N	202,795	TRIO-Student Support Services		
84.063	D	N	6,974,006	Federal Pell Grant Program		
			<u>8,848,222</u>	Total — Cleveland Community College		
<u>Coastal Carolina Community College</u>						
17.258	I	N	176,162	WIA Adult Program	13-2020-40-6035-07	Eastern Carolina Workforce Development Board
17.260	I	N	2,431	WIA Dislocated Workers	13-2030-40-6035-07	Eastern Carolina Workforce Development Board
84.007	D	N	136,345	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	140,871	Federal Work-Study Program		
84.063	D	N	9,059,037	Federal Pell Grant Program		
			<u>9,514,846</u>	Total — Coastal Carolina Community College		
<u>College of the Albemarle</u>						
84.007	D	N	46,988	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	48,361	Federal Work-Study Program		
84.063	D	N	4,208,656	Federal Pell Grant Program		
			<u>4,304,005</u>	Total — College of the Albemarle		
<u>Craven Community College</u>						
84.007	D	N	100,800	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	52,104	Federal Work-Study Program		
84.042	D	N	199,397	TRIO-Student Support Services		
84.063	D	N	6,787,397	Federal Pell Grant Program		
84.268	D	N	3,511,603	Federal Direct Student Loans		
			<u>10,651,301</u>	Total — Craven Community College		
<u>Davidson County Community College</u>						
47.076	D	N	109,018	Education and Human Resources		
84.007	D	N	67,166	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	47,683	Federal Work-Study Program		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.042	D	N	223,985	TRIO-Student Support Services		
84.063	D	N	9,873,604	Federal Pell Grant Program		
84.268	D	N	10,890,350	Federal Direct Student Loans		
			<u>21,211,806</u>	Total — Davidson County Community College		
<u>Durham Technical Community College</u>						
84.007	D	N	142,303	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	184,739	Federal Work-Study Program		
84.063	D	N	9,671,538	Federal Pell Grant Program		
84.268	D	N	8,199,570	Federal Direct Student Loans		
94.002	D	N	52,053	Retired and Senior Volunteer Program		
			<u>18,250,203</u>	Total — Durham Technical Community College		
<u>Edgecombe Community College</u>						
17.260	D	N	626,025	WIA Dislocated Workers		
84.033	D	N	53,558	Federal Work-Study Program		
84.063	D	N	8,433,103	Federal Pell Grant Program		
84.268	D	N	7,187,313	Federal Direct Student Loans		
			<u>16,299,999</u>	Total — Edgecombe Community College		
<u>Fayetteville Technical Community College</u>						
12	I	N	81,613	U. S. Department of Defense	N/A	MCCYN
84.007	D	N	292,000	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	255,584	Federal Work-Study Program		
84.063	D	N	28,005,528	Federal Pell Grant Program		
84.116	I	N	44,050	Fund for the Improvement of Postsecondary Education	N/A	CAEL
84.268	D	N	12,873,086	Federal Direct Student Loans		
			<u>41,551,861</u>	Total — Fayetteville Technical Community College		
<u>Forsyth Technical Community College</u>						
17.282	D	N	3,073,723	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
47.076	D	N	37,301	Education and Human Resources		
84.007	D	N	379,044	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	202,195	Federal Work-Study Program		
84.063	D	N	19,446,348	Federal Pell Grant Program		
84.268	D	N	15,188,165	Federal Direct Student Loans		
			<u>38,326,776</u>	Total — Forsyth Technical Community College		
<u>Gaston College</u>						
84.007	D	N	140,748	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	302,134	Higher Education-Institutional Aid		
84.033	D	N	120,453	Federal Work-Study Program		
84.042	D	N	200,418	TRIO-Student Support Services		
84.063	D	N	12,209,066	Federal Pell Grant Program		
			<u>12,972,819</u>	Total — Gaston College		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
Guilford Technical Community College						
17.282	I	N	614,886	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	TC-23794-12-60-A-20	Wichita Area Technical Coll
64.028	D	N	224,360	Post-9/11 Veterans Educational Assistance		
84.007	D	N	370,822	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	338,426	Federal Work-Study Program		
84.063	D	N	35,007,758	Federal Pell Grant Program		
84.268	D	N	28,664,653	Federal Direct Student Loans		
			<u>65,220,905</u>	Total — Guilford Technical Community College		
Halifax Community College						
17.258	I	N	185,690	WIA Adult Program	4505	
84.007	D	N	41,700	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	44,229	Federal Work-Study Program		
84.042	D	N	295,316	TRIO-Student Support Services		
84.063	D	N	3,540,034	Federal Pell Grant Program		
84.335	D	N	5,496	Child Care Access Means Parents in School		
84.382	D	N	172,690	Strengthening Minority-Serving Institutions		
			<u>4,285,155</u>	Total — Halifax Community College		
Haywood Community College						
15.939	D	N	20,580	National Heritage Area Federal Financial Assistance		
47.076	D	N	42,363	Education and Human Resources		
84.007	D	N	61,600	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	31,428	Federal Work-Study Program		
84.063	D	N	5,021,008	Federal Pell Grant Program		
84.268	D	N	2,299,375	Federal Direct Student Loans		
			<u>7,476,354</u>	Total — Haywood Community College		
Isothermal Community College						
84.007	D	N	39,741	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	37,331	Federal Work-Study Program		
84.063	D	N	4,896,955	Federal Pell Grant Program		
84.268	D	N	3,292	Federal Direct Student Loans		
99	I	N	140,986	Other Federal Assistance	1545	Corporation for Public Broadcast
			<u>5,118,305</u>	Total — Isothermal Community College		
James Sprunt Community College						
17.258	I	N	169,907	WIA Adult Program	13-2030-40-6136-03	Eastern Carolina Development Workforce Bd.
17.278	I	N	82,530	WIA Dislocated Worker Formula Grants	13-2020-40-6136-03	Eastern Carolina Development Workforce Bd.
84.007	D	N	32,870	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	33,253	Federal Work-Study Program		
84.042	D	N	331,444	TRIO-Student Support Services		
84.044	D	N	251,688	TRIO-Talent Search		
84.047	D	N	287,752	TRIO-Upward Bound		
84.063	D	N	3,555,244	Federal Pell Grant Program		
			<u>4,744,688</u>	Total — James Sprunt Community College		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Johnston Community College</u>						
84.007	D	N	91,249	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	89,190	Federal Work-Study Program		
84.042	D	N	198,827	TRIO-Student Support Services		
84.063	D	N	8,372,916	Federal Pell Grant Program		
84.268	D	N	7,430,971	Federal Direct Student Loans		
			<u>16,183,153</u>	Total — Johnston Community College		
<u>Lenoir Community College</u>						
17.258	I	N	291,633	WIA Adult Program	11-2020-40-6169	Eastern Carolina Workforce Dev Board
17.259	I	N	425,069	WIA Youth Activities	11-2020-40-6169	Eastern Carolina Workforce Dev Board
17.278	I	N	81,124	WIA Dislocated Worker Formula Grants	11-2020-40-6169	Eastern Carolina Workforce Dev Board
84.007	D	N	133,167	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	107,969	Federal Work-Study Program		
84.063	D	N	7,380,696	Federal Pell Grant Program		
			<u>8,419,658</u>	Total — Lenoir Community College		
<u>Martin Community College</u>						
84.007	D	N	14,490	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	23,599	Federal Work-Study Program		
84.063	D	N	1,683,243	Federal Pell Grant Program		
			<u>1,721,332</u>	Total — Martin Community College		
<u>Mayland Community College</u>						
17.258	I	N	175,784	WIA Adult Program	N/A	Region D
17.259	I	N	167,579	WIA Youth Activities	N/A	Region D
17.278	I	N	263,630	WIA Dislocated Worker Formula Grants	N/A	Region D
84.007	D	N	26,835	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	21,944	Federal Work-Study Program		
84.042	D	N	290,472	TRIO-Student Support Services		
84.063	D	N	2,113,668	Federal Pell Grant Program		
			<u>3,059,912</u>	Total — Mayland Community College		
<u>McDowell Technical Community College</u>						
84.007	D	N	21,598	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	27,070	Federal Work-Study Program		
84.063	D	N	2,337,406	Federal Pell Grant Program		
84.268	D	N	2,356	Federal Direct Student Loans		
			<u>2,388,430</u>	Total — McDowell Technical Community College		
<u>Mitchell Community College</u>						
84.007	D	N	45,000	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	42,241	Federal Work-Study Program		
84.063	D	N	6,106,536	Federal Pell Grant Program		
			<u>6,193,777</u>	Total — Mitchell Community College		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
Montgomery Community College						
84.007	D	N	16,426	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	25,631	Federal Work-Study Program		
84.063	D	N	1,524,688	Federal Pell Grant Program		
			<u>1,566,745</u>	Total — Montgomery Community College		
Nash Community College						
11.300	D	N	455,896	Investments for Public Works and Economic Development Facilities		
17.258	I	N	69,553	WIA Adult Program	9-2020/2040-21-4597-03	Turning Point Workforce Development Board
17.259	I	N	57,103	WIA Youth Activities	9-2020/2040-21-4597-03	Turning Point Workforce Development Board
17.282	D	N	19,173	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants		
84.007	D	N	16,770	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	25,000	Federal Work-Study Program		
84.063	D	N	7,290,589	Federal Pell Grant Program		
84.268	D	N	4,654,890	Federal Direct Student Loans		
			<u>12,588,974</u>	Total — Nash Community College		
Pamlico Community College						
17.258	I	N	104,250	WIA Adult Program	14-2020-40-62227-08	Eastern Carolina Workforce Development Board
17.804	D	N	5,244	Local Veterans' Employment Representative Program		
84.007	D	N	15,192	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	7,018	Federal Work-Study Program		
84.063	D	N	803,077	Federal Pell Grant Program		
			<u>934,781</u>	Total — Pamlico Community College		
Piedmont Community College						
17.258	I	N	8,909	WIA Adult Program	N/A	Council of Governments
17.259	I	N	128,741	WIA Youth Activities	N/A	Council of Governments
17.260	I	N	36,221	WIA Dislocated Workers	N/A	Council of Governments
84.007	D	N	55,518	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	49,582	Federal Work-Study Program		
84.042	D	N	299,887	TRIO-Student Support Services		
84.063	D	N	3,353,103	Federal Pell Grant Program		
84.066	D	N	570,433	TRIO-Educational Opportunity Centers		
84.268	D	N	4,586	Federal Direct Student Loans		
			<u>4,506,980</u>	Total — Piedmont Community College		
Pitt Community College						
10.558	D	N	187	Child and Adult Care Food Program		
84.007	D	N	195,828	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	180,681	Federal Work-Study Program		
84.042	D	N	221,061	TRIO-Student Support Services		
84.063	D	N	23,095,467	Federal Pell Grant Program		
84.066	D	N	227,562	TRIO-Educational Opportunity Centers		
84.268	D	N	27,602,050	Federal Direct Student Loans		
93.721	D	Y	665,506	ARRA - Health Information Technology Professionals in Health Care		
			<u>52,188,342</u>	Total — Pitt Community College		

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For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Randolph Community College</u>						
17.282	D	N	69,446	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
84.007	D	N	43,838	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	61,839	Federal Work-Study Program		
84.063	D	N	6,328,616	Federal Pell Grant Program		
			<u>6,503,739</u>	Total — Randolph Community College		
<u>Richmond Community College</u>						
11.300	D	N	1,009,835	Investments for Public Works and Economic Development Facilities		
84.007	D	N	55,034	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	55,711	Federal Work-Study Program		
84.063	D	N	6,943,075	Federal Pell Grant Program		
			<u>8,063,655</u>	Total — Richmond Community College		
<u>Roanoke-Chowan Community College</u>						
84.007	D	N	17,168	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	34,838	Federal Work-Study Program		
84.042	D	N	244,801	TRIO-Student Support Services		
84.063	D	N	2,293,145	Federal Pell Grant Program		
			<u>2,589,952</u>	Total — Roanoke-Chowan Community College		
<u>Robeson Community College</u>						
17.259	I	N	184,035	WIA Youth Activities	2040 44 5465	Council of Government
17.282	D	N	4,750,813	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
47.076	D	N	68,005	Education and Human Resources		
84.007	D	N	59,200	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	52,481	Federal Work-Study Program		
84.042	D	N	241,035	TRIO-Student Support Services		
84.063	D	N	6,272,988	Federal Pell Grant Program		
84.382	D	N	157,140	Strengthening Minority-Serving Institutions		
			<u>11,785,697</u>	Total — Robeson Community College		
<u>Rockingham Community College</u>						
84.007	D	N	44,051	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	46,943	Federal Work-Study Program		
84.042	D	N	232,107	TRIO-Student Support Services		
84.063	D	N	3,507,177	Federal Pell Grant Program		
			<u>3,830,278</u>	Total — Rockingham Community College		
<u>Rowan-Cabarrus Community College</u>						
84.007	D	N	88,100	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	75,680	Federal Work-Study Program		
84.063	D	N	16,497,151	Federal Pell Grant Program		
84.268	D	N	15,273,619	Federal Direct Student Loans		
			<u>31,934,550</u>	Total — Rowan-Cabarrus Community College		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
<u>Sampson Community College</u>						
84.002	D	N	212,342	Adult Education-Basic Grants to States		
84.007	D	N	32,813	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	33,490	Federal Work-Study Program		
84.042	D	N	231,135	TRIO-Student Support Services		
84.048	D	N	72,302	Career and Technical Education -- Basic Grants to States		
84.063	D	N	3,077,328	Federal Pell Grant Program		
			<u>3,659,410</u>	Total — Sampson Community College		
<u>Sandhills Community College</u>						
84.007	D	N	99,973	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	115,028	Federal Work-Study Program		
84.042	D	N	191,284	TRIO-Student Support Services		
84.063	D	N	7,454,027	Federal Pell Grant Program		
			<u>7,860,312</u>	Total — Sandhills Community College		
<u>South Piedmont Community College</u>						
84.007	D	N	28,350	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	29,138	Federal Work-Study Program		
84.063	D	N	3,934,407	Federal Pell Grant Program		
			<u>3,991,895</u>	Total — South Piedmont Community College		
<u>Southeastern Community College</u>						
17.258	I	N	249,747	WIA Adult Program	0-2020-33	Cape Fear COG
17.259	I	N	218,779	WIA Youth Activities	0-2030-33	Cape Fear COG
17.260	I	N	108,707	WIA Dislocated Workers	0-2040-33	Cape Fear COG
84.007	D	N	75,283	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	68,128	Federal Work-Study Program		
84.044	D	N	370,258	TRIO-Talent Search		
84.063	D	N	3,245,398	Federal Pell Grant Program		
84.268	D	N	200,095	Federal Direct Student Loans		
93.364	D	N	20,850	Nursing Student Loans		
94.002	D	N	94,662	Retired and Senior Volunteer Program		
			<u>4,651,907</u>	Total — Southeastern Community College		
<u>Southwestern Community College</u>						
84.007	D	N	36,592	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	57,827	Higher Education-Institutional Aid		
84.033	D	N	55,765	Federal Work-Study Program		
84.042	D	N	276,674	TRIO-Student Support Services		
84.047	D	N	232,866	TRIO-Upward Bound		
84.063	D	N	4,478,955	Federal Pell Grant Program		
84.268	D	N	1,914,378	Federal Direct Student Loans		
			<u>7,053,057</u>	Total — Southwestern Community College		
<u>Stanly Community College</u>						
84.007	D	N	48,960	Federal Supplemental Educational Opportunity Grants		
84.031	D	N	184,122	Higher Education-Institutional Aid		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.033	D	N	68,820	Federal Work-Study Program		
84.063	D	N	5,324,829	Federal Pell Grant Program		
			<u>5,626,731</u>	Total — Stanly Community College		
Surry Community College						
84.007	D	N	41,955	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	68,248	Federal Work-Study Program		
84.047	D	N	135,126	TRIO-Upward Bound		
84.063	D	N	5,572,667	Federal Pell Grant Program		
84.066	D	N	201,148	TRIO-Educational Opportunity Centers		
			<u>6,019,144</u>	Total — Surry Community College		
Tri-County Community College						
84.007	D	N	29,373	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	34,737	Federal Work-Study Program		
84.063	D	N	3,259,344	Federal Pell Grant Program		
84.268	D	N	1,041,792	Federal Direct Student Loans		
			<u>4,365,246</u>	Total — Tri-County Community College		
Vance-Granville Community College						
17.258	I	N	35,768	WIA Adult Program	1117	Kerr-Tar Regional Council of Governments
17.259	I	N	130,966	WIA Youth Activities	1117	Kerr-Tar Regional Council of Governments
17.282	D	N	37,162	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
64.028	D	N	41,747	Post-9/11 Veterans Educational Assistance		
84.007	D	N	56,061	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	74,451	Federal Work-Study Program		
84.063	D	N	6,739,853	Federal Pell Grant Program		
84.268	D	N	7,496	Federal Direct Student Loans		
			<u>7,123,504</u>	Total — Vance-Granville Community College		
Wake Technical Community College						
17.245	D	N	769,166	Trade Adjustment Assistance		
17.261	D	N	2,500	WIA Pilots, Demonstrations, and Research Projects		
17.282	D	N	16,771	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
47.076	D	N	109,014	Education and Human Resources		
84.007	D	N	230,750	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	295,939	Federal Work-Study Program		
84.063	D	N	33,809,936	Federal Pell Grant Program		
84.141	D	N	525,631	Migrant Education-High School Equivalency Program		
84.268	D	N	45,787,470	Federal Direct Student Loans		
			<u>81,547,177</u>	Total — Wake Technical Community College		
Wayne Community College						
17.258	I	N	179,481	WIA Adult Program	14-2020-40-6331-09	Eastern Carolina Workforce Dev. Board
17.260	I	N	104,207	WIA Dislocated Workers	14-2030-40-6331-09	Eastern Carolina Workforce Dev. Board
17.282	D	N	128	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		
47.076	D	N	57,705	Education and Human Resources		
84.007	D	N	106,469	Federal Supplemental Educational Opportunity Grants		

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Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
84.031	D	N	56,557	Higher Education-Institutional Aid		
84.033	D	N	96,682	Federal Work-Study Program		
84.063	D	N	8,053,304	Federal Pell Grant Program		
84.268	D	N	8,211,605	Federal Direct Student Loans		
			<u>16,866,138</u>	Total — Wayne Community College		
<u>Western Piedmont Community College</u>						
84.007	D	N	60,348	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	69,388	Federal Work-Study Program		
84.042	D	N	254,690	TRIO-Student Support Services		
84.044	D	N	270,929	TRIO-Talent Search		
84.063	D	N	6,103,788	Federal Pell Grant Program		
84.268	D	N	34,274	Federal Direct Student Loans		
			<u>6,793,417</u>	Total — Western Piedmont Community College		
<u>Wilkes Community College</u>						
17.258	I	N	6,926	WIA Adult Program	12-2020-49-1533	HCCG
17.258	I	N	232,491	WIA Adult Program	13-2020-49-1533	HCCG
17.259	I	N	9,931	WIA Youth Activities	12-2040-49-1533	HCCG
17.259	I	N	192,810	WIA Youth Activities	13-2040-49-1533	HCCG
17.278	I	N	7,401	WIA Dislocated Worker Formula Grants	12-2030-49-1533	HCCG
17.278	I	N	1,402	WIA Dislocated Worker Formula Grants	12-2031-49-1533	HCCG
17.278	I	N	15,460	WIA Dislocated Worker Formula Grants	12-2031-49-1533OJT	HCCG
17.278	I	N	235,403	WIA Dislocated Worker Formula Grants	13-2030-49-1533	HCCG
17.278	I	N	100,000	WIA Dislocated Worker Formula Grants	13-2031-49-1533	HCCG
17.278	I	N	231,258	WIA Dislocated Worker Formula Grants	13-2031-49-1533OJT	HCCG
84.007	D	N	20,000	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	54,101	Federal Work-Study Program		
84.042	D	N	307,831	TRIO-Student Support Services		
84.063	D	N	6,303,482	Federal Pell Grant Program		
84.268	D	N	2,107,300	Federal Direct Student Loans		
			<u>9,825,796</u>	Total — Wilkes Community College		
<u>Wilson Community College</u>						
84.007	D	N	40,334	Federal Supplemental Educational Opportunity Grants		
84.033	D	N	37,928	Federal Work-Study Program		
84.042	D	N	311,564	TRIO-Student Support Services		
84.047	D	N	266,533	TRIO-Upward Bound		
84.063	D	N	4,470,425	Federal Pell Grant Program		
84.268	D	N	1,630,387	Federal Direct Student Loans		
			<u>6,757,171</u>	Total — Wilson Community College		
			<u>800,170,451</u>	Total — Community Colleges		
<u>Other Component Units:</u>						
<u>North Carolina Health Risk Pool, Inc. d/b/a Inclusive Health</u>						
93.780	D	N	196,426	Grants to States for Operation of Qualified High-Risk Pools		
			<u>196,426</u>	Total — The N.C. Health Risk Pool, Inc d/b/a Inclusive Health		

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (BY STATE AGENCY)

For the Fiscal Year Ended June 30, 2014

Federal CFDA Number	Direct/ Indirect	ARRA	Program Disbursements	Program Title	Pass-Through Number	Pass-Through Entity Name
North Carolina State Ports Authority						
97.067	D	N	20,000	Homeland Security Grant Program		
			<u>20,000</u>	Total — North Carolina Global Transpark		
			216,426	Total — Other Component Units		
			<u>800,386,877</u>	Total — Component Units		
			<u>\$20,960,319,028</u>	Total Expenditures of Federal Awards		

N/A = Not Available

D = Direct Federal Assistance – Assistance received directly from the federal government or received in a pass-through relationship from other State entities.

I = Indirect Federal Assistance – Assistance received in a pass-through relationship from entities other than the federal government or other State entities.

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Schedule appears in three formats:

- Summary – The summary schedule reports expenditures of federal awards by program or program cluster.
- Detail – The detail schedule presents federal programs by federal agency and lists individual programs within program clusters.
- By State Agency – The schedule by state agency presents expenditures of federal awards by state agency and by program. In some instances, federal funds have been transferred from one state agency to another to be expended in the same program. When this is the case, the expenditure of federal awards has been reported under the organization which received the funds directly from the Federal Government.

Federal CFDA numbers are from the Catalog of Federal Domestic Assistance published by the Office of Management and Budget and the General Services Administration. Programs without a CFDA number are presented with only the federal agency's two-digit prefix in place of a CFDA number.

B. Reporting Entity

The State of North Carolina financial reporting entity is fully described in Note 1 to the financial statements. The financial reporting entity includes (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete.

The accompanying Schedule of Expenditures of Federal Awards includes all federal programs administered by the state financial reporting entity except the programs of the State Education Assistance Authority and North Carolina Housing Finance Agency. These agencies issue separate single audit reports for their programs.

C. Basis of Accounting

An award is considered expended when the activity related to the award occurs. The activity generally pertains to events requiring compliance with laws, regulations, and the provisions of contract and grant agreements. Specific transaction types have been recognized as follows:

Direct Costs: Direct costs have been recognized on the cash basis of accounting, that is, when cash is disbursed rather than when the charge is incurred.

Indirect costs: Indirect costs are recovered from the federal government by applying a federally approved indirect cost rate or by allocating these costs among benefiting programs in accordance with a federally approved plan. Each program's share of indirect costs is recognized on the accompanying Schedule of Expenditures of Federal Awards.

Loan and loan guarantee transactions:

- Federal Perkins Loan Program - Federal Capital Contributions (CFDA 84.038), Nurse Faculty Loan Program (CFDA 93.264), Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (93.342), Nursing Student Loans (CFDA 93.364), Capitalization Grants for Clean Water State Revolving Funds (CFDA 66.458), Capitalization Grants for Drinking Water State Revolving Funds (66.468) and Community Development Block Grant Revolving Loan Fund (14.228) – Expenditures of federal awards in the accompanying Schedule of Expenditures of Federal Awards include the value of new loans made during the year, the balance of loans from previous years with federal continuing compliance requirements, federal capital contributions received during the year, interest subsidy, and administrative cost allowances. Loan balances outstanding at year-end are disclosed in Note 2.
- Federal Direct Student Loans (CFDA 84.268) – These loans are made by outside lenders to students at institutions of higher education within the State reporting entity. The institutions are responsible for certain administrative requirements for new loans. As a result, the value of loans made during the year and administrative cost allowances are recognized as expenditures of federal awards in the accompanying Schedule of Expenditures of Federal Awards. The balance of loans for previous years is not included because the lender accounts for the prior balances.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2014

Other non-cash assistance:

The State of North Carolina participated in several federal programs in which non-cash benefits are provided through the state to eligible participants. These include:

- Food Distribution Programs – Food commodities donated to the N.C. Department of Agriculture are reported at the value assigned by the U.S. Department of Agriculture. The Schedule of Expenditures of Federal Awards includes commodity distributions of:

<u>Program</u>	<u>CFDA #</u>	<u>Non-Cash Value</u>
Nation School Lunch Program	10.555	\$43,700,332
Summer Food Service Program for Children	10.559	47,564
Commodity Supplemental Food Program	10.565	315,771
Food Distribution Program on Indian Reservations	10.567	576,906
Emergency Food Assistance Program (Food Commodities)	10.569	17,512,500

- Supplemental Nutrition Assistance Program (CFDA 10.551) – The State issues food stamp benefits in electronic form. Food stamp benefits are recognized as expenditures when recipients use the benefits. Food Stamps used during the fiscal year of \$2,409,132,037 are reported as expenditures in the Schedule of Expenditures of Federal Awards.
- Immunization Grants (CFDA 93.268) – Vaccines donated to the N. C. Department of Health and Human Services are reported at the value assigned by the U. S. Department of Health and Human Services. The amount reported in the Schedule of Expenditures of Federal Awards reflects \$110,619,203 in routine immunizations including seasonal influenza.
- Donation of Federal Surplus Personal Property (CFDA 39.003) – Federal surplus property donated to the N.C. Department of Administration is valued at estimated fair market value at the time of receipt. Federal surplus property, with an estimated value of \$4,211,283, received during the fiscal year is reported

as expenditures in the Schedule of Expenditures of Federal Awards.

- Donation of Federal Property(CFDA 43.000) – Federal property donated to North Carolina State University is valued at estimated fair market value at the time of receipt. Federal property, with an estimated value of \$140,000, received during the fiscal year is reported as expenditures in the Schedule of Expenditures of Federal Awards.
- Higher Education – Institutional Aid (CFDA 84.031) Funds to be used for endowments and the endowment is federally restricted. The cumulative balance of the federal awards for endowment funds that are restricted are considered awards expended in each year in which the funds are restricted. The endowment balance at the end of fiscal year of \$7,902,615 is reported as an expenditure in the Schedule of Expenditures of Federal Awards.

NOTE 2: FEDERAL LOANS OUTSTANDING

The State of North Carolina had the following federal loan balances outstanding at year-end:

<u>Program</u>	<u>CFDA #</u>	<u>Amount Outstanding</u>
Federal Perkins Loan Program - Federal Capital Contributions	84.038	\$97,204,097
Capitalization Grants for Drinking Water State Revolving Funds	66.468	35,039,362
Capitalization Grants for Clean Water State Revolving Funds	66.458	103,267,364
Community Development Block Grant Revolving Loan Fund	14.228	3,418,323
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	3,767,960
Nursing Student Loans	93.364	435,694
Nurse Faculty Loan Program	93.264	441,092

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2014

NOTE 3: UNEMPLOYMENT INSURANCE

State unemployment tax revenues and payments in lieu of taxes are combined with federal funds and used to pay benefits under the Unemployment Insurance program (CFDA 17.225). The state and federal portions of the total expenditures reported on the Schedule were \$656,222,307 and \$113,959,011 respectively. Of the federal portion of expenditures noted, \$2,039,302 are American Recovery and Reinvestment Act funds.

NOTE 4: SUPPLEMENTAL NUTRITIONAL ASSISTANCE PROGRAM

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for 0.64 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2014.

NOTE 5: PASS-THROUGH AWARDS

Circular A-133 defines a *subrecipient* as an entity that expends federal awards that are received from a pass-through entity to carry out a federal program. The total amount provided to subrecipients from each federal program is separately identified in the accompanying Summary Schedule of Expenditures of Federal Awards.

Note: Certain transactions relating to federal financial assistance may appear in the records of more than one state recipient agency. To avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the State of North Carolina, when federal financial assistance is received by one state recipient agency and redistributed to another state agency (i.e., a pass-through of funds by the primary recipient state agency to a sub-recipient state agency), the federal financial assistance will be reflected as expenditures by the primary recipient state agency.

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**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2014**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-1	Public Instruction	<p><u>Management Decisions Not Issued to Subrecipients for Significant Deficiency Findings</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, January 6, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Agriculture is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-2	Public Instruction	<p><u>Management Decisions Not Issued to Subrecipients for Significant Deficiency Findings</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, January 6, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Agriculture is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-3	Public Instruction	<p><u>Inadequate Monitoring of Subrecipients for the State Revenue Match</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, January 6, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Agriculture is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-4	Public Instruction	<p><u>Management Decisions Not Issued to Subrecipients for Significant Deficiency Findings</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, January 6, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Agriculture is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-5	Health and Human Services	<p><u>Inadequate Program Change Controls</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Agriculture is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-6	Health and Human Services	<p><u>Deficiencies in WIC Cash Management Procedures</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014 , two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Agriculture is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-7	Health and Human Services	<p><u>Deficiencies Identified in the Monitoring of WIC High-Risk Vendors</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Agriculture is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-8	Commerce	<p><u>Lack of Segregation of Duties – Administration of Grant Management System</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-9	Commerce	<p><u>Deficiencies in Federal Reporting</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-10	Commerce	<p><u>Deficiencies in Information System Access Controls</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-11	Commerce	<p><u>Deficiencies in Subrecipient Monitoring</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-12	Commerce	<p><u>Lack of Segregation of Duties – Administration of Grant Management System</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-13	Commerce	<ol style="list-style-type: none"> 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-13	Commerce	<p data-bbox="560 527 951 552"><u>Deficiencies in Federal Reporting</u></p> <p data-bbox="560 583 1239 609">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-14	Commerce	<p data-bbox="560 909 1166 934"><u>Deficiencies in Information System Access Controls</u></p> <p data-bbox="560 966 1239 991">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-15	Commerce	<p data-bbox="560 1287 1016 1312"><u>Deficiencies in Subrecipient Monitoring</u></p> <p data-bbox="560 1344 1239 1369">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-16	Commerce	<p data-bbox="560 1665 1304 1690"><u>Federal Information Not Communicated to ARRA Subrecipients</u></p> <p data-bbox="560 1722 1239 1747">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, February 10, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-40	Transportation	<ol style="list-style-type: none"> 2. The U.S. Department of Housing and Urban Development is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-40	Transportation	<p data-bbox="560 527 1187 552"><u>Subrecipients Not Monitored in Accordance with Plan</u></p> <p data-bbox="560 583 1240 609">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, January 22, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Transportation is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-41	Environment and Natural Resources	<p data-bbox="560 905 1422 930"><u>Complete Award Information Not Clearly Communicated to Subrecipients</u></p> <p data-bbox="560 961 1240 987">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, November 14, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Environmental Protection Agency is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-42	Environment and Natural Resources	<p data-bbox="560 1283 1349 1308"><u>Monitoring of Subrecipient Cash Management Needs Improvement</u></p> <p data-bbox="560 1339 1240 1365">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, November 14, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Environmental Protection Agency is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-43	Environment and Natural Resources	<p data-bbox="560 1661 1422 1686"><u>Complete Award Information Not Clearly Communicated to Subrecipients</u></p> <p data-bbox="560 1717 1240 1743">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, November 14, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Environmental Protection Agency is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-44	Environment and Natural Resources	<p><u>Monitoring of Subrecipient Cash Management Needs Improvement</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, November 14, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Environmental Protection Agency is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-49	Public Instruction	<p><u>Insufficient Documentation in Title I Subrecipient Monitoring Process</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-54	Fayetteville State University	<p><u>Lack of Controls Over Preparation of the Annual Performance Report</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, March 3, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-55	Community College System Office	<p><u>Subrecipient Monitoring Process Needs Improvement</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, January 12, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-57	Public Instruction	<p><u>Noncompliance with Administrative Maintenance of Effort Requirement</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, January 6, 2015, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-63	Health and Human Services	<p><u>State Procurement Policies Not Followed</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-67	Public Instruction	<p><u>Twenty-First Century Grant Lacked Formalized Monitoring Procedures</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 31, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-68	Public Instruction	<p><u>Inadequate Controls Over DUNS Number Requirement</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-70	Public Instruction	<p><u>Weaknesses in Improving Teacher Quality Subrecipient Monitoring Process</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-73	Public Instruction	<p><u>Incomplete Submission of Quarterly Recovery Act Reports</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-74	Public Instruction	<p><u>Insufficient Documentation in Title I Subrecipient Monitoring Process</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 31, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-76	Health and Human Services	<p><u>Deficiencies in Cash Management Procedures</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-77	Health and Human Services	<p><u>Deficiencies in Documentation of Client Eligibility</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-79	Public Instruction	<p><u>Incomplete Submission of Quarterly Recovery Act Reports</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-82	Public Instruction	<p><u>Incomplete Submission of Quarterly Recovery Act Reports</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-86	Public Instruction	<p><u>Incomplete Submission of Quarterly Recovery Act Reports</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-90	Public Instruction	<p><u>Incomplete Submission of Quarterly Recovery Act Reports</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, December 23, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Education is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-92	Health and Human Services	<p><u>Departmental Monitoring of Vaccine Providers was Inadequate</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-93	Health and Human Services	<p><u>Documentation Lacking in County Temporary Assistance for Needy Families Program Case Files</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 9, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-94	Health and Human Services	<p><u>Deficiencies in Subrecipient Expenditures Identified</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 10, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-95	Health and Human Services	<p><u>Deficiencies in Federal Reporting Procedures</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 10, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-96	Health and Human Services	<p><u>Deficiencies in Subrecipient Monitoring Procedures</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 10, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-97	Health and Human Services	<p><u>Federal Award Information Not Properly Communicated to Subrecipients</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 10, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-98	Health and Human Services	<p><u>Appropriate Action Not Taken in Child Support Cases</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

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For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-101	Health and Human Services	<ol style="list-style-type: none"> 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
		<p data-bbox="561 527 1469 579"><u>Failure to Properly Report Subrecipient Pass-Through Amounts on the Schedule of Expenditures of Federal Awards (SEFA)</u></p> <p data-bbox="561 615 1239 640">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-102	Health and Human Services	<p data-bbox="561 936 1469 989"><u>Procedures Should Be Enhanced to Ensure Fraudulent Child Care Payments are Detected and Reported</u></p> <p data-bbox="561 1024 1239 1050">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-103	Health and Human Services	<p data-bbox="561 1346 1469 1398"><u>Failure to Properly Report Subrecipient Pass-Through Amounts on the Schedule of Expenditures of Federal Awards (SEFA)</u></p> <p data-bbox="561 1434 1239 1459">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.

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For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-104	Health and Human Services	<p><u>Procedures Should Be Enhanced to Ensure Fraudulent Child Care Payments Are Detected and Reported</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-105	Health and Human Services	<p><u>Federal Award Information Not Properly Communicated to Subrecipients</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-107	Health and Human Services	<p><u>Federal Award Information Not Properly Communicated to Subrecipients</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-108	Health and Human Services	<p><u>Deficiencies Identified During Subrecipient Monitoring Not Followed Up</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-109	Health and Human Services	<p><u>Verification of Central Contractor Registration Not Performed</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-110	Health and Human Services	<p><u>Federal Award Number Not Communicated to ARRA Recipients</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-111	Health and Human Services	<p><u>Departmental Monitoring of Vaccine Providers Was Inadequate</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-112	Health and Human Services	<p><u>Failure to Properly Report Subrecipient Pass-Through Amounts on the Schedule of Expenditures of Federal Awards (SEFA)</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-113	Health and Human Services	<p><u>Procedures Should Be Enhanced to Ensure Fraudulent Child Care Payments are Detected and Reported</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-114	Health and Human Services	<p><u>Documentation Lacking in County Temporary Assistance for Needy Families Program Case Files</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-115	Health and Human Services	<p><u>Deficiencies in Subrecipient Expenditures Identified</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-116	Health and Human Services	<p><u>Verification of Central Contractor Registration Not Performed</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.

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For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-117	Health and Human Services	<p><u>Documentation Lacking in County Temporary Assistance for Needy Families Program Case Files</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-118	Health and Human Services	<p><u>Deficiencies in Subrecipient Expenditures Identified</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-119	Health and Human Services	<p><u>Verification of Central Contractor Registration Not Performed</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-120	Health and Human Services	<p><u>Errors in Provider Billing and Payments</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-121	Health and Human Services	<p><u>Documentation Lacking in County Children's Health Insurance Program Case Files</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-122	Health and Human Services	<p><u>Noncompliance with Procurement, Suspension, and Debarment Requirements</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-123	Health and Human Services	<p><u>Deficiencies in Monitoring Procedures for the Children's Health Insurance Program</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-124	Health and Human Services	<p><u>Medicaid Disproportionate Share Hospital Payments to an Ineligible Hospital</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

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Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-125	Health and Human Services	<ol style="list-style-type: none"> 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
		<p data-bbox="560 527 1227 552"><u>Errors in Medicaid Provider Billing and Payment Process</u></p> <p data-bbox="560 583 1240 609">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-126	Health and Human Services	<p data-bbox="560 905 1469 957"><u>Deficiencies in Internal Control to Prevent Unauthorized User Access to the Medicaid Management Information System</u></p> <p data-bbox="560 989 1240 1014">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-127	Health and Human Services	<p data-bbox="560 1310 1414 1335"><u>Deficiencies in Cash Management Procedures for the Medicaid Program</u></p> <p data-bbox="560 1367 1240 1392">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-128	Health and Human Services	<p data-bbox="560 1688 1206 1713"><u>Documentation Lacking in County Medicaid Case Files</u></p> <p data-bbox="560 1745 1240 1770">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

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Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<ol style="list-style-type: none"> 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-129	Health and Human Services	<p><u>Inadequate Follow-Up on Identified Subrecipient Errors</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-130	Health and Human Services	<p><u>Deficiencies in Monitoring Procedures Over the Provider Eligibility and Termination Processes</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-131	Health and Human Services	<p><u>Monitoring Procedures Need Improvement</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-132	Health and Human Services	<p><u>Federal Award Information Not Properly Communicated to Subrecipients</u></p> <p>The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

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Original Finding Number **	State Department	Current Status of Prior Audit Finding
11-SA-133	Health and Human Services	<ol style="list-style-type: none"> 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
		<p data-bbox="560 527 1128 552"><u>Deficiencies in Internal Control Over Contracting</u></p> <p data-bbox="560 583 1242 609">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Department of Health and Human Services is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-134	Health and Human Services	<p data-bbox="560 905 1469 957"><u>Internal Control Over Payments for Provider Consultative Examinations Needs Improvement</u></p> <p data-bbox="560 989 1242 1014">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Social Security Administration is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-135	Health and Human Services	<p data-bbox="560 1310 1469 1362"><u>Deficiencies in Enrollment Procedures for Providers of Consultative Examination Services</u></p> <p data-bbox="560 1394 1242 1419">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse; 2. The U.S. Social Security Administration is not currently following up with the Department on the audit finding; and 3. A management decision has not been issued.
11-SA-136	Health and Human Services	<p data-bbox="560 1715 1096 1747"><u>Deficiencies in Federal Reporting Procedures</u></p> <p data-bbox="560 1778 1242 1803">The audit finding does not warrant further action because:</p> <ol style="list-style-type: none"> 1. As of today, June 11, 2014, two years have passed since the audit report in which the finding occurred was submitted on March 27, 2012 to the Federal clearinghouse;

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Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<p>2. The U.S. Social Security Administration is not currently following up with the Department on the audit finding; and</p> <p>3. A management decision has not been issued.</p>
12-SA-1	Public Instruction	<p><u>Corrective Action Plans Not Obtained from Subrecipients</u></p> <p>Full corrective action has been taken.</p>
12-SA-2	Public Instruction	<p><u>Corrective Action Plans Not Obtained from Subrecipients</u></p> <p>Full corrective action has been taken.</p>
12-SA-3	Public Instruction	<p><u>Corrective Action Plans Not Obtained from Subrecipients</u></p> <p>Full corrective action has been taken.</p>
12-SA-4	Commerce	<p><u>Deficiencies in Federal Reporting</u></p> <p>Partial corrective action has been taken. The Finance Section of the State CDBG program is tasked with data entry for the FFATA compliance requirement. To date all required entries have been entered into the FSRS system. For all future awards, the staff will indicate the date when a grantee is entered into the FSRS system thereby creating a data record of compliance.</p>
12-SA-5	Commerce	<p><u>Lack of Segregation of Duties in the Administration of Grants Management System</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Housing and Urban Development.</p>
12-SA-6	Commerce	<p><u>Deficiencies in Federal Reporting</u></p> <p>Partial corrective action has been taken. The Finance Section of the State CDBG program is tasked with data entry for the FFATA compliance requirement. To date all required entries have been entered into the FSRS system. For all future awards, the staff will indicate the date when a grantee is entered into the FSRS system thereby creating a data record of compliance.</p>
12-SA-7	Commerce	<p><u>Lack of Segregation of Duties in the Administration of Grants Management System</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Housing and Urban Development.</p>
12-SA-8	Commerce	<p><u>Deficiencies in Benefit Integrity's Processing and Monitoring of Overpayment Investigations</u></p> <p>Full corrective action has been taken.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
12-SA-9	Commerce	<u>Controls Over System Access Need Improvement</u> Full corrective action has been taken.
12-SA-10	Commerce	<u>Deficiencies in Subrecipient Monitoring</u> Full corrective action has been taken.
12-SA-11	Commerce	<u>Deficiencies in Subrecipient Monitoring</u> Full corrective action has been taken.
12-SA-12	Commerce	<u>Deficiencies in Subrecipient Monitoring</u> Full corrective action has been taken.
12-SA-13	Commerce	<u>Deficiencies in Subrecipient Monitoring</u> Full corrective action has been taken.
12-SA-14	Environment and Natural Resources	<u>Inadequate Review Procedures for Subrecipient Audit Reports</u> Full corrective action has been taken, however awaiting management decision from the U.S. Environmental Protection Agency.
12-SA-15	Environment and Natural Resources	<u>Monitoring of Subrecipient Cash Management Needs Improvement</u> Full corrective action has been taken, however awaiting management decision from the U.S. Environmental Protection Agency.
12-SA-16	Environment and Natural Resources	<u>Inadequate Review Procedures for Subrecipient Audit Reports</u> Full corrective action has been taken, however awaiting management decision from the U.S. Environmental Protection Agency.
12-SA-17	Environment and Natural Resources	<u>Monitoring of Subrecipient Cash Management Needs Improvement</u> Full corrective action has been taken, however awaiting management decision from the U.S. Environmental Protection Agency.
12-SA-18	Commerce	<u>Deficiencies in Cash Management</u> Full corrective action has been taken.
12-SA-19	Commerce	<u>Deficiencies in Federal Reporting</u> Full corrective action has been taken.
12-SA-20	Commerce	<u>Subrecipient Monitoring Needs Improvement</u> Full corrective action has been taken.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
12-SA-21	Commerce	<p><u>Deficiencies in Cash Management</u></p> <p>Full corrective action has been taken.</p>
12-SA-22	Commerce	<p><u>Subrecipient Monitoring Needs Improvement</u></p> <p>Full corrective action has been taken.</p>
12-SA-24	Public Instruction	<p><u>Deficiencies in Title I Program Monitoring</u></p> <p>Partial corrective action has been taken. The Management Team in the Federal Program Monitoring and Support (FPMS) Division has provided additional training regarding the collection of relevant documentation during federal program monitoring reviews, completion of notes in the monitoring instrument, and the filing of all relevant documentation including completed tracking forms in a centralized web-based filing system. To monitor the improved process, the FPMS Management Team reviews reports prior to sending to the sub-recipients and reviews the documentation in Drop Box prior to signing off on the monitoring tracking form. The management signature signifies that appropriate documentation is on file.</p> <p>Management has assigned specific staff the task of conducting ongoing reviews of the online monitoring documentation files to ensure the files are completed and the timeline for correspondences with sub-recipients meets established protocol.</p> <p>Beginning September of 2013, the Management Team in the FPMS Division has met quarterly with the Monitoring and Compliance Section of the Financial Business Services Division to discuss the status of any fiscal or program compliance concerns resulting from the monitoring conducted by the respective divisions. In addition to Leigh Ann Kerr, Donna Brown, and Brandon Patterson, the quarterly meetings include the NCDPI Internal Auditor, Jeani Allen.</p>
12-SA-32	Winston-Salem State University	<p><u>Lack of Controls Over Federal Suspension and Debarment Verification</u></p> <p>Full corrective action has been taken.</p>
12-SA-41	University of North Carolina at-Pembroke	<p><u>Lack of Controls Over Notifications of Disbursements to or on Behalf of Students</u></p> <p>Full corrective action has been taken.</p>
12-SA-46	Public Instruction	<p><u>Deficiencies in Twenty-First Century Subrecipient Monitoring Process</u></p> <p>Partial corrective action has been taken. Monitoring instruments and related processes have been revised to ensure staff clearly identify the documentation which led them to conclude the compliance status of the subrecipient. The staff received specific training to address the revised process. In addition, as part of the evaluation of the revised monitoring process, management will review each report and continue to sign off on the</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		tracking forms that capture the entire chronology from before the onsite visit to the resolution of any compliance finding on the back end.
12-SA-47	Public Instruction	<u>Inadequate Controls Over DUNS Number Requirement</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.
12-SA-51	Public Instruction	<u>Deficiencies in Title I Program Monitoring</u> Partial corrective action has been taken. The Management Team in the Federal Program Monitoring and Support (FPMS) Division has provided additional training regarding the collection of relevant documentation during federal program monitoring reviews, completion of notes in the monitoring instrument, and the filing of all relevant documentation including completed tracking forms in a centralized web-based filing system. To monitor the improved process, the FPMS Management Team reviews reports prior to sending to the sub-recipients and reviews the documentation in Drop Box prior to signing off on the monitoring tracking form. The management signature signifies that appropriate documentation is on file. Management has assigned specific staff the task of conducting ongoing reviews of the online monitoring documentation files to ensure the files are completed and the timeline for correspondences with sub-recipients meets established protocol. Beginning September of 2013, the Management Team in the FPMS Division has met quarterly with the Monitoring and Compliance Section of the Financial Business Services Division to discuss the status of any fiscal or program compliance concerns resulting from the monitoring conducted by the respective divisions. In addition to Leigh Ann Kerr, Donna Brown, and Brandon Patterson, the quarterly meetings include the NCDPI Internal Auditor, Jeani Allen.
12-SA-60	Health and Human Services	<u>Deficiencies in County Eligibility Determination Processes</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.
12-SA-63	Health and Human Services	<u>Subrecipient Monitoring Process Needs Improvement</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.
12-SA-64	Health and Human Services	<u>Deficiencies in County Eligibility Determination Processes</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
12-SA-66	Health and Human Services	<p><u>Errors in Provider Billing and Payment Process</u></p> <p>Partial corrective action has been taken. As of December 2014, four (4) of the original nine (9) claim errors identified remain open. After further investigation, the Department determined the federal share of questioned costs in the amount of \$9.06 should be returned to the federal agency to fully resolve the remaining open claims. In addition, training and ongoing communication via Medicaid Bulletins and other communication venues will continue to be provided to providers as needed to enhance education. The anticipated completion date is March 31, 2015.</p>
12-SA-67	Health and Human Services	<p><u>Deficiencies in Cash Management Procedures</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-68	Health and Human Services	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-69	Health and Human Services	<p><u>Deficiencies in Subrecipient Monitoring Procedures</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-70	Health and Human Services	<p><u>Errors in Provider Billing and Payment Process</u></p> <p>Partial corrective action has been taken. As of September 2014, thirty-three (33) of the original forty-four (44) claim errors have been completely resolved. Follow-up will continue on the remaining open or partially resolved errors until full resolution is made. The anticipated completion date is March 31, 2015.</p>
12-SA-71	Health and Human Services	<p><u>Deficiencies in the Eligibility System Interface Process</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-72	Health and Human Services	<p><u>Deficiencies in Cash Management Procedures</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-73	Health and Human Services	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
12-SA-74	Health and Human Services	<p><u>Inadequate Follow-Up on Identified Subrecipient Errors</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-75	Health and Human Services	<p><u>Deficiencies in Monitoring Procedures Over Provider Eligibility and Termination Process</u></p> <p>Partial corrective action has been taken. The Department investigated the errors noted by the auditors in the prior year and determined the potential root cause was primarily due to staff attrition. The Department implemented cross training functions to identify and address gaps in the provider enrollment and termination processes to prevent errors from occurring. Efforts to strengthen and improve monitoring controls will continue to ensure that only eligible providers are allowed to participate in the Medicaid Program. The anticipated completion date is June 30, 2015.</p>
12-SA-76	Health and Human Services	<p><u>Deficiencies with Program Integrity Functions</u></p> <p>Partial corrective action has been taken. The Department continues to review case tracking database procedures with staff to ensure case investigations are adequately reviewed and tracked. In addition, Program Integrity (PI) will continue to conduct monthly quality assurance reviews of case tracking. The existing case tracking system is currently being upgraded to allow for more comprehensive tracking of cases and reporting. The anticipated completion date is June 30, 2015.</p>
12-SA-77	Health and Human Services	<p><u>Deficiencies in Access Control Over the Medicaid Management Information System</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-78	Health and Human Services	<p><u>Deficiencies in Cash Management Procedures</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
12-SA-81	Health and Human Services	<p><u>Monitoring Procedures Need Improvement</u></p> <p>Partial corrective action has been taken. Effective January 2014, the Division of Mental Health, Developmental Disabilities and Substance Abuse Services implemented new monitoring procedures to require corrective action plans for all system deficiencies noted during Local Management Entity-Managed Care Organization (LME/MCO) settlement reviews. In addition, the Division's Plan of Correction policy (POC) is being updated to reflect the new monitoring procedures. Once the POC is approved by Division management, it will replace the policy currently posted on the Division's website. The anticipated date of completion is June 30, 2015.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
12-SA-82	Health and Human Services	<u>Noncompliance with DUNS Number Requirement</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.
12-SA-84	Health and Human Services	<u>Noncompliance with Consultative Examination Costs</u> Full corrective action has been taken, however awaiting management decision from the U.S. Social Security Administration.
12-SA-85	Health and Human Services	<u>Deficiencies in Maintaining Vendor File</u> Full corrective action has been taken, however awaiting management decision from the U.S. Social Security Administration.
12-SA-86	Public Safety	<u>Deficiencies in Internal Control Over Access to Public Assistance Management System</u> Full corrective action has been taken.
12-SA-87	Public Safety	<u>Review of Subrecipient Audit Reports Needs Improvement</u> Full corrective action has been taken.
12-SA-88	Public Safety	<u>Subrecipient Monitoring Needs Improvement</u> Full corrective action has been taken.
2013-001	Health and Human Services	<u>Noncompliance with SNAP Requirements</u> Partial corrective action has been taken. The Department evaluated the case reopening process. As a result, Division of Social Services (DSS) submitted a request to North Carolina Families Accessing Services through Technology (NC Fast) to add an alert to the system for reopening FNS recertifications to ensure cases closed in error or as a result of a hearing reversal are identified. DSS also requested a drop down box be added to the system to allow the case worker to indicate the reason for reopening the recertification. The enhancement request was submitted to NC FAST on August 21, 2014. NC FAST will make this change on March 31, 2015.
2013-002	Public Instruction	<u>Monitoring Results Not Reported Timely</u> Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
2013-003	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.</p>
2013-004	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.</p>
2013-005	Health and Human Services	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Agriculture.</p>
2013-006	Health and Human Services	<p><u>Federal Funding Accountability Transparency Act Reporting Not Completed Timely</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Agriculture.</p>
2013-007	Commerce	<p><u>Inaccurate Cash Management Improvement Act Analysis</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Housing and Urban Development.</p>
2013-008	Commerce	<p><u>Inability to Support Compliance with Earmarking Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Housing and Urban Development.</p>
2013-009	Commerce	<p><u>Management's Implementation of Corrective Action Was Inadequate</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Housing and Urban Development.</p>
2013-010	Commerce	<p><u>Lack of Segregation of Duties in the Administration of Grants Management System</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Housing and Urban Development.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
2013-011	Commerce	<p><u>Inaccurate Federal Reporting</u></p> <p>Partial corrective action has been taken. The Finance Section of the State CDBG program is tasked with data entry for the FFATA compliance requirement. To date all required entries have been entered into the FSRS system. For all future awards, the staff will indicate the date when a grantee is entered into the FSRS system thereby creating a data record of compliance.</p>
2013-012	Commerce	<p><u>Deficiencies in Subrecipient Monitoring</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Housing and Urban Development.</p>
2013-013	Public Safety	<p><u>Review of Subrecipient Audit Reports Needs Improvement</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Justice.</p>
2013-014	Public Safety	<p><u>Review of Subrecipient Audit Reports Needs Improvement</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Justice.</p>
2013-015	Commerce	<p><u>Management's Implementation of Corrective Action Was Inadequate</u></p> <p>Full corrective action has been taken.</p>
2013-016	Commerce	<p><u>Deficiencies in Processing and Monitoring of Overpayment Investigations</u></p> <p>Full corrective action has been taken.</p>
2013-017	Commerce	<p><u>Inaccurate Federal Reporting</u></p> <p>Full corrective action has been taken.</p>
2013-018	Commerce	<p><u>Management's Implementation of Corrective Action Was Inadequate</u></p> <p>Full corrective action has been taken.</p>
2013-019	Commerce	<p><u>Deficiencies in Subrecipient Monitoring</u></p> <p>Full corrective action has been taken.</p>
2013-020	Commerce	<p><u>Management's Implementation of Corrective Action Was Inadequate</u></p> <p>Full corrective action has been taken.</p>
2013-021	Commerce	<p><u>Deficiencies in Subrecipient Monitoring</u></p> <p>Full corrective action has been taken.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
2013-022	Commerce	<u>Management's Implementation of Corrective Action Was Inadequate</u> Full corrective action has been taken.
2013-023	Commerce	<u>Deficiencies in Subrecipient Monitoring</u> Full corrective action has been taken.
2013-024	Transportation	<u>Justification for Awarding Contracts Not Documented</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Transportation.
2013-025	Transportation	<u>Quality Assurance Procedures Not Followed</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Transportation.
2013-026	Transportation	<u>Certified Payrolls Not Obtained</u> No corrective action has been taken. The Rail Division will ensure that certified payrolls for future contractors and sub-contractors will be obtained and that the certified payrolls will be reviewed by a DOT employee.
2013-027	Transportation	<u>Buy-American Provisions Excluded From Contract Terms</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Transportation.
2013-028	Transportation	<u>Justification for Awarding Contracts Not Documented</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Transportation.
2013-029	Transportation	<u>Federal Reports Contained Errors</u> Partial corrective action has been taken. The 1512 ARRA report is no longer applicable for FY14 funding per federal guidance. The Rail Division will implement a procedure to utilize the Department's preferred query to help ensure future federal reports are properly created.
2013-030	Transportation	<u>Review of Subrecipient Applications Not Always Documented</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Transportation.
2013-031	Transportation	<u>Subrecipient Data in Federal Reports Not Reviewed</u> No corrective action has been taken. Each quarterly report from the sub recipient requires supporting documentation to be submitted from their software system to show ridership, miles and hours. In addition the program manager during a site visit will match ridership, miles and hours from the VUD to the trip manifest. On the financial side, sub recipients submit their

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		audit or a final financial report with each year-end report. The Division is developing a form the financial director will certify for FY 15 data.
2013-032	Transportation	<p><u>Schedule of Expenditures of Federal Awards Not Accurate</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Transportation.</p>
2013-033	Transportation	<p><u>Subrecipient Monitoring Not Adequately Performed</u></p> <p>Partial corrective action has been taken. Developed a master schedule to use in oversight of 80+ transit systems.</p> <p>Awarded a contract to a consulting firm to update our compliance notebook.</p> <p>Issued a scope of work for a consulting firm to begin oversight monitoring when the workbook is complete and will begin to implement the 3 year master plan.</p> <p>Sub recipient training is in final development stages.</p>
2013-034	Environment and Natural Resources	<p><u>Federal Funds Expended After the Period of Availability</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Environmental Protection Agency.</p>
2013-035	Environment and Natural Resources	<p><u>Monitoring of Subrecipient Cash Management Needs Improvement</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Environmental Protection Agency.</p>
2013-036	Environment and Natural Resources	<p><u>Federal Funds Used for Unallowable Activity</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Environmental Protection Agency.</p>
2013-037	Environment and Natural Resources	<p><u>Subrecipient Monitoring Needs Improvement</u></p> <p>Partial corrective action has been taken. The monitoring plan was intended to provide guidance to division staff rather than a requirement; however, this was not clearly indicated in the plan. The monitoring plan has been updated to more clearly define the inspection protocol.</p> <p>2014 Update: Upon further review, additional guidance is needed to help define the inspection protocol; therefore, the inspection protocol contained in the SOP manual will be rewritten to include a risk-based process.</p> <p>DENR Internal Audit staff have monitored recipients of the Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Although contractors were being monitored for suspensions or debarments, the Department did not previously check for this certification regarding engineers. The "Owner DBE Checklist" has now been updated to require this certification.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
2013-038	Public Instruction	<p><u>Noncompliance with Cash Management Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-039	Public Instruction	<p><u>Noncompliance with Period of Availability Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-040	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.</p>
2013-041	Public Instruction	<p><u>Deficiencies in Title I Program Monitoring</u></p> <p>Partial corrective action has been taken. The Management Team in the Federal Program Monitoring and Support (FPMS) Division has provided additional training regarding the collection of relevant documentation during federal program monitoring reviews, completion of notes in the monitoring instrument, and the filing of all relevant documentation including completed tracking forms in a centralized web-based filing system. To monitor the improved process, the FPMS Management Team reviews reports prior to sending to the sub-recipients and reviews the documentation in Drop Box prior to signing off on the monitoring tracking form. The management signature signifies that appropriate documentation is on file.</p> <p>Management has assigned specific staff the task of conducting ongoing reviews of the online monitoring documentation files to ensure the files are completed and the timeline for correspondences with sub-recipients meets established protocol.</p> <p>Beginning September of 2013, the Management Team in the FPMS Division has met quarterly with the Monitoring and Compliance Section of the Financial Business Services Division to discuss the status of any fiscal or program compliance concerns resulting from the monitoring conducted by the respective divisions. In addition to Leigh Ann Kerr, Donna Brown, and Brandon Patterson, the quarterly meetings include the NCDPI Internal Auditor, Jeani Allen.</p>
2013-042	Public Instruction	<p><u>Noncompliance with Cash Management Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
2013-043	Public Instruction	<p><u>Deficiencies in Special Education Cluster Monitoring</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-044	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.</p>
2013-045	Elizabeth City State University	<p><u>Lack of Controls Over Federal Suspension and Debarment Verification</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-046	Fayetteville State University	<p><u>Cash Management Controls Need Improvement</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-047	Fayetteville State University	<p><u>Expenditures Understated on Annual Performance Report</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-048	Public Instruction	<p><u>Noncompliance with Cash Management Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-049	Public Instruction	<p><u>Noncompliance with Maintenance of Effort Requirements</u></p> <p>Full corrective action has been taken.</p>
2013-050	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
2013-051	James Sprunt Community College	<p data-bbox="560 384 1398 409"><u>Weakness in the Student Financial Aid Application Verification Process</u></p> <p data-bbox="560 443 1469 1199">Partial corrective action has been taken. James Sprunt Community College (JSCC) received their Single Audit Report in March 2014. It was performed by the North Carolina State Auditor's Office (NCOSA). The NCOSA auditors sampled 60 student files and found 10 errors. In July 2014 the Department of Education (DOE) then requested a 100% review of all the Title IV recipients who were selected for verification due to the error rate being greater than the established limit. Due to the resignation of JSCC's Financial Aid Director in June 2014, two members of the NC Community College System (NCCCS), a Financial Aid Subject Matter Expert, and The Associate Director for Financial Aid and Student Success were asked by the Vice President of Student Services for JSCC to assist with the 100% verification process. They began in July 2014 and concluded in August 2014. The NCCCS Staff members extracted data from the Financial Aid Database and developed a spreadsheet for the staff to input information. This spreadsheet was used to obtain the supporting data for the amount to be returned to DOE. The NCCCS Staff members determined that 46 student awards were inadequately/incorrectly verified. Based on NCCCS's work sent to DOE, a follow up letter was received in September 2014 from DOE instructing JSCC the files needed to be corrected in Common Origination and Disbursement (COD). At that time, there was no Financial Aid Director or Vice President of Student Services in place. In October 2014, a new Financial Aid Director came on board. The College sent a check to DOE in the amount of \$95,349.40 on January 14, 2015. The College subsequently concluded that sending a check was an incorrect procedure and in February 2015 contacted DOE for instructions.</p> <p data-bbox="560 1232 1469 1440">Upon realizing that the files needed to be corrected through COD, the College requested and has been granted access to open the DOE's 2012-2013 award year. Appropriate corrections are currently being made through Colleague and COD as requested by DOE. The College's established timeline is to complete its update by April 15, 2015. Once files are correct, the College will provide supporting documentation to NCOSA and the Senior Institutional Review Specialist for DOE.</p> <p data-bbox="560 1474 1469 1682">The staff has attended verification webinars since Spring 2014. They currently attend those as needed. Training and supervision is being given by the Financial Aid Director. The Financial Aid Director has completed the reviews of the verification files for fall and spring semesters. This has become a procedure in the Financial Aid office and the Policy & Procedures manual is being updated to reflect this and the College's timeline to update this manual completely will be May 1, 2015.</p>
2013-052	Health and Human Services	<p data-bbox="560 1713 967 1738"><u>Errors in Claims Payment Process</u></p> <p data-bbox="560 1772 1000 1793">Full corrective action has been taken.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
2013-053	Health and Human Services	<p><u>Deficiencies in Participant Eligibility Determinations</u></p> <p>Full corrective action has been taken.</p>
2013-054	Public Instruction	<p><u>Noncompliance with Cash Management Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-055	Public Instruction	<p><u>Deficiencies in Special Education Cluster Monitoring</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-056	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.</p>
2013-057	James Sprunt Community College	<p><u>Weakness in the Student Financial Aid Application Verification Process</u></p> <p>Partial corrective action has been taken. James Sprunt Community College (JSCC) received their Single Audit Report in March 2014. It was performed by the North Carolina State Auditor's Office (NCOSA). The NCOSA auditors sampled 60 student files and found 10 errors. In July 2014 the Department of Education (DOE) then requested a 100% review of all the Title IV recipients who were selected for verification due to the error rate being greater than the established limit. Due to the resignation of JSCC's Financial Aid Director in June 2014, two members of the NC Community College System (NCCCS), a Financial Aid Subject Matter Expert, and The Associate Director for Financial Aid and Student Success were asked by the Vice President of Student Services for JSCC to assist with the 100% verification process. They began in July 2014 and concluded in August 2014. The NCCCS Staff members extracted data from the Financial Aid Database and developed a spreadsheet for the staff to input information. This spreadsheet was used to obtain the supporting data for the amount to be returned to DOE. The NCCCS Staff members determined that 46 student awards were inadequately/incorrectly verified. Based on NCCCS's work sent to DOE, a follow up letter was received in September 2014 from DOE instructing JSCC the files needed to be corrected in Common Origination and Disbursement (COD). At that time, there was no Financial Aid Director or Vice President of Student Services in place. In October 2014, a new Financial Aid Director came on board. The College sent a check to DOE in the amount of \$95,349.40 on January 14, 2015. The College subsequently concluded that sending a check was an incorrect procedure and in February 2015 contacted DOE for instructions.</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		<p>Upon realizing that the files needed to be corrected through COD, the College requested and has been granted access to open the DOE's 2012-2013 award year. Appropriate corrections are currently being made through Colleague and COD as requested by DOE. The College's established timeline is to complete its update by April 15, 2015. Once files are correct, the College will provide supporting documentation to NCOSA and the Senior Institutional Review Specialist for DOE.</p> <p>The staff has attended verification webinars since Spring 2014. They currently attend those as needed. Training and supervision is being given by the Financial Aid Director. The Financial Aid Director has completed the reviews of the verification files for fall and spring semesters. This has become a procedure in the Financial Aid office and the Policy & Procedures manual is being updated to reflect this and the College's timeline to update this manual completely will be May 1, 2015.</p>
2013-058	North Carolina Agricultural & Technical State University	<p><u>Improvements Needed in Direct Loan Notification Process</u></p> <p>Full corrective action has been taken.</p>
2013-059	North Carolina State University	<p><u>Untimely Notice to Lenders of Changes in Enrollment Status</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-060	Public Instruction	<p><u>Noncompliance with Cash Management Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-061	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.</p>
2013-062	Public Instruction	<p><u>Noncompliance with Cash Management Requirements</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.</p>
2013-063	Public Instruction	<p><u>Monitoring Results Not Reported Timely</u></p> <p>Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.
2013-064	Public Instruction	<u>Noncompliance with Cash Management Requirements</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.
2013-065	Public Instruction	<u>Monitoring Results Not Reported Timely</u> Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.
2013-066	Public Instruction	<u>Noncompliance with Cash Management Requirements</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.
2013-067	Public Instruction	<u>Monitoring Results Not Reported Timely</u> Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.
2013-068	Public Instruction	<u>Noncompliance with Cash Management Requirements</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.
2013-069	Public Instruction	<u>Subrecipients Not Notified of Budget Overruns</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Education.
2013-070	Public Instruction	<u>Monitoring Results Not Reported Timely</u> Partial corrective action has been taken. The NC Department of Public Instruction's Division of School Business Fiscal Monitoring Policy and Procedures were revised and implemented, effective July 1, 2014. The revised policies and procedures address the timeliness of monitoring report issuance through the implementation of a 45 day time limit from the last date

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		of the onsite visit to the issuance of the formal report. The revised policy and procedures were implemented to affect the 2014-15 monitoring cycle.
2013-071	Health and Human Services	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>Partial corrective action has been taken. The county departments of social services developed Program Improvement Plans (PIPs), as required by the Department, to adequately address all reported findings. The assigned Work First Program Consultant (WFPC) performed case file reviews to ensure that files were corrected if possible and overpayments were recouped as necessary. In addition, the WFPC will continue follow-up on the PIPs to ensure that the policy is fully implemented and effective. The PIPs will be closed when follow-up is deemed no longer necessary. The anticipated completion date is on-going.</p>
2013-072	Health and Human Services	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
2013-073	Health and Human Services	<p><u>Deficiency in Subrecipient Monitoring</u></p> <p>Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.</p>
2013-074	Health and Human Services	<p><u>Errors in Provider Billing and Payment Process</u></p> <p>Partial corrective action has been taken. Of the initial twenty-eight (28) claims cited, five (5) claim errors have been fully resolved and twenty-three (23) remain partially resolved. DMA will continue to investigate the partially resolved items to ensure appropriate collection or payment is made and full resolution has occurred. The anticipated completion date is March 31, 2015.</p> <p>DMA will continue to pursue proposed amendments to G.S. 108C to strengthen requirements for providers to submit documentation to support medical necessity and coding of services billed to Medicaid.</p>
2013-075	Health and Human Services	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>Partial corrective action has been taken. The Department will continue to obtain and review case specific information for each finding. The relevant county DSS agency was required to formulate corrective action plans to address the deficiencies. The Operational Support Team will follow-up with the counties to ensure that corrective action plans have been implemented. The anticipated completion date is June 30, 2015.</p>
2013-076	Health and Human Services	<p><u>Errors in Provider Billing and Payment Process</u></p> <p>Partial corrective action has been taken. Of the initial sixty-five (65) claims cited, thirty-one (31) claim errors have been fully resolved, nineteen (19) have been partially resolved and fifteen (15) remain unresolved. DMA will continue to investigate the remaining unresolved claims to ensure</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		appropriate collection or payment is made and full resolution has occurred. The anticipated completion date is March 31, 2015.
		DMA will continue to pursue proposed amendments to G.S. 108C to strengthen requirements for providers to submit documentation to support medical necessity and coding of services billed to Medicaid.
2013-077	Health and Human Services	<u>Medicaid Disproportionate Share Hospital Payments Made Incorrectly</u> Partial corrective action has been taken. As of December 11, 2014, additional procedures were implemented to ensure underpayments and/or overpayments are detected timely and corrections to the DSH calculations are detected before payments are made. DMA enhanced their procedures to ensure that hospital documentation is reviewed timely and to ensure accurate DSH calculations and payments. DMA will continue to review the DSH model periodically and make adjustments as necessary.
2013-078	Health and Human Services	<u>Deficiencies in the Eligibility System Interface Process</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.
2013-079	Health and Human Services	<u>Deficiencies in County Eligibility Determination Processes</u> Partial corrective action has been taken. The Department reviewed case specific information for each finding and county DSS agencies formulated corrective action plans to address the deficiencies. The Operational Support Team will continue follow-up with the county to ensure that corrective action plans have been implemented and question costs issues have been resolved. The Department will continue to evaluate the effectiveness of the overall policy training and evaluate focused training needed by specific county departments of social services based on the counties' case findings. The anticipated completion date is March 31, 2015.
2013-080	Health and Human Services	<u>Deficiencies with Program Integrity Functions</u> Partial corrective action has been taken. The Department continues to review case tracking database procedures with staff to ensure case investigations are adequately reviewed and tracked. In addition, Program Integrity (PI) will continue to conduct monthly quality assurance reviews of case tracking. The existing case tracking system is currently being upgraded to allow for more comprehensive tracking of cases and reporting. The anticipated completion date is June 30, 2015.
2013-081	Health and Human Services	<u>Deficiencies in Provider Enrollment and Termination Processes</u> Partial corrective action has been taken. The Department investigated the errors noted by the auditors and determined the potential root cause was primarily due to staff attrition. The Department implemented cross training functions to identify and address gaps in the provider enrollment and

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended June 30, 2014

Original Finding Number **	State Department	Current Status of Prior Audit Finding
		termination processes to prevent errors from occurring. As of January 30, 2015, two (2) of the nine (9) identified errors have been completely resolved. Follow-up will continue on the remaining open errors as necessary until full resolution is made. In addition, efforts to strengthen and improve monitoring controls will continue to ensure that only eligible providers are allowed to participate in the Medicaid Program. The anticipated completion date is June 30, 2015.
2013-082	Health and Human Services	<u>Untimely Use of Rebates</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Health and Human Services.
2013-083	Health and Human Services	<u>Deficiencies in Eligibility Determinations</u> Full corrective action has been taken.
2013-084	Health and Human Services	<u>Noncompliance with DUNS Number Requirement</u> Full corrective action has been taken.
2013-085	Health and Human Services	<u>Monitoring Procedures Need Improvement</u> Full corrective action has been taken.
2013-086	Public Safety	<u>Deficiencies in Federal Reporting</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Homeland Security.
2013-087	Public Safety	<u>Review of Subrecipient Audit Reports Needs Improvement</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Homeland Security.
2013-088	North Carolina State University	<u>Lack of Controls Over Required Reporting of Federal Grant Data</u> Full corrective action has been taken.
2013-089	University of North Carolina Chapel Hill	<u>Internal Controls Over Equipment Need Improvement</u> Full corrective action has been taken, however awaiting management decision from the U.S. Department of Defense.
2013-090	University of North Carolina Chapel Hill	<u>Internal Control Deficiencies Related to Subrecipient Audit Findings</u> Full corrective action has been taken.
2013-091	University of North Carolina Chapel Hill	<u>For-Profit Subrecipient Monitoring Not Adequate</u> Full corrective action has been taken.

** The first two or four digits denote the June 30 fiscal year-end from whence the finding originated.

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**Corrective Action Plan
For the Year Ended June 30, 2014**

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-001	Health and Human Services Angela Taylor (919) 813-5002	<p><u>Deficiencies in Eligibility System Access Controls</u></p> <p>The Department is instituting a standardized reporting process to monitor and review server and database access in accordance to the Statewide Information Security Manual, which was updated in January 2015.</p> <p>Office of Information Technology Services (ITS) and North Carolina Families Accessing Services through Technology (NC FAST) have recently changed the way that staff authenticates to the servers. This change aligned NC FAST servers to a centralized authentication process. The Department is working with ITS staff to develop reports that will include the level of user access to each server. The Department is also working to develop a similar level of reports for production database access.</p> <p><i>Anticipated Completion Date:</i> September 30, 2015</p>
2014-002	Health and Human Services David Locklear (919) 527-6311 Angela Taylor (919) 813-5002	<p><u>SNAP Eligibility Determinations Not Performed Accurately</u></p> <p>On December 6, 2013, the certification periods were corrected and the clients were sent a recertification form. Monitors will review the certification periods while evaluating a sample of case files during the Food and Nutrition Services Management Review.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p> <p>The Department evaluated the batch closure process and will implement changes to ensure that all cases are closed according to policy guidelines. For clarification, these cases do not issue benefits as they remain in suspended status. Until the change is fully implemented, a report will be generated to identify any cases not closing per the guidelines. Monitors will review reopened cases while evaluating sample case files during the Food and Nutrition Management Evaluation. The cases with questioned cost will be researched to determine the overpayment amounts and recoupsments will be made as necessary.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p> <p>The Department has evaluated the reopening process and will put the following system edits in place. A message will be added to the NC FAST model that appears when reactivating FNS/SNAP PDC that states: "You may only reactivate this case for one of the reasons listed below." In addition, a hard stop will be installed to prevent creation of a new FNS/SNAP recertification if Date received is on or after Next Cert Period Start Date. If attempted, the following message will display: "This is a late recertification. New application is required."</p> <p><i>Anticipated Completion Date:</i> April 30, 2015</p>

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		<p>The Department evaluated the modifications of certification periods and will add the following restrictions to the system to prevent users from changing certification periods:</p> <ol style="list-style-type: none"> 1. Restrict user from updating any prior certification periods (for which payments have been issued), and only allow updates to the current certification period. 2. Restrict user from updating the Start Date of a certification period and only allow the change to the End Date. 3. Restrict user from updating the certification period if the period has passed. 4. Restrict the certification period from being more than 12 months for FNS cases. 5. Restrict the certification period if a payment has been issued for any month within the certification Period. <p>On December 21, 2014, additional system changes were made to prevent two active cases from paying at the same time.</p> <p><i>Anticipated Completion Date:</i> May 31, 2015</p> <p>On December 22, 2014, the Department revised denial notices to include the specific reason for denial and the specific required actions. On February 13, 2015, NC FAST communicated specific actions that must be taken by the eligibility case workers to ensure that the applicable notices will be printed and sent along with the required statements. In addition, a statewide webinar was conducted on March 18, 2015 to address the issues regarding the actions necessary to ensure correct notices are generated by NC FAST.</p> <p><i>Anticipated Completion Date:</i> Completed March 18, 2015</p> <p>The cases with questioned cost will be researched to determine the overpayment amounts and recoupments will be made as necessary.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015.</p>
2014-003	Health and Human Services Kim Lovenduski (919) 707-5750	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>As follow-up to the findings identified during the audits of the county departments of health, the Department researched each of the cases identified as deficient and verified eligibility documentation in all cases cited. The following actions were taken:</p> <ul style="list-style-type: none"> • During the investigation, adjunctive eligibility was verified through Medicaid.

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-004	Health and Human Services Arnette Cowan (919) 707-5775	<ul style="list-style-type: none"> • One case was related to the expiration date of Medicaid benefits not adequately documented in the case file. The local auditor was able to verify that the recipient was automatically eligible for WIC. The Department confirmed that the recipient was adjunctively eligible for benefits on the certification date through Medicaid. • One case file was missing documentation to support that the recipient was seen in October 2013. The Department verified, in the WIC Automated Data Processing System (ADPS), that the recipient was recertified on October 15, 2013 and adjunctive eligibility was verified through Medicaid. • Two cases were missing documentation related to proof of verification of identity, residency, and income of the applicants. The local auditors determined that the two participants were eligible to receive benefits. The Department verified adjunctive eligibility through Medicaid for the two cases. <p>The Department confirmed that corrective action plans were fully implemented. A new WIC computer system was deployed statewide in 2014 which requires local agencies to document eligibility in the system prior to certifying participants and issuing benefits.</p> <p><i>Anticipated Completion Date:</i> Completed March 13, 2015.</p> <p><u>Facilities Not Properly Monitored</u></p> <p>In August of each year, the Administrative Review Coordinator of the Child and Adult Care Food Program will run a report of facilities from the current NCCares database. This report will be compared to the established review schedule to ensure that all facilities are included to be monitored at least once every three years as required by federal regulations. The monitoring schedule will also be reviewed and approved by the Unit Manager. An initial review of the monitoring schedule will be completed no later than March 31, 2015.</p> <p>In addition, the Department is in the process of researching a management information system for the Child and Adult Care Food Program that will enforce the scheduling of reviews in accordance with the federal regulations through a module that interfaces with the application and reimbursement modules.</p> <p><i>Anticipated Completion Date:</i> March 31, 2015</p>

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-005	Health and Human Services Kathy Sommese (919) 395-6796	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>The Division submitted corrections to the overstated FFATA report on November 10, 2014. The Division has developed and implemented procedures to ensure FFATA reports are filed accurately and timely.</p> <p>Subsequent notification of the completion of the FFATA reports, including amendments, will be submitted by divisions each month to the Department's Office of the Controller for monitoring purposes.</p> <p><i>Anticipated Completion Date: June 30, 2015</i></p>
2014-006	Health and Human Services David Locklear (919) 527-6311	<p><u>Counties Not Properly Monitored</u></p> <p>The two counties not previously monitored are scheduled to be reviewed by April 30, 2015. The monitoring schedule established for Federal Fiscal Year 2014-2015 will be completed by September 30, 2015. The Department will focus on county monitoring efforts related to participant eligibility determination and corrective actions noted for trafficking deficiencies.</p> <p><i>Anticipated Completion Date: September 30, 2015</i></p>
2014-007	Commerce – Community Assistance Toni Moore (919) 715-0509	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>The Finance Section of the State CDBG program is tasked with data entry for the FFATA compliance requirement. For all future awards, staff will insure that FFATA records are entered in a timely manner and will record the date entered into the FSRS system thereby creating a record of compliance.</p> <p><i>Anticipated Completion Date: March 12, 2015</i></p>
2014-008	Commerce – Employment Security Ted Brinn (919) 707-1412	<p><u>Documentation to Support Benefit Overpayment Investigations Was Not Maintained</u></p> <p>The Department of Commerce, Division of Employment Security (DES) is working to develop a tracking/reporting process that can be placed on the DES internal network, which will make review by internal and external auditors more accessible. Additionally, the use of new technologies, such as, Right Fax and Adobe Professional will allow UI Benefits Integrity staff to digitize case information. This will allow investigators to upload documents into the electronic folders created on the shared network, thus making cases easier to locate and more searchable.</p> <p><i>Anticipated Completion Date: June 30, 2015</i></p>

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-009	Commerce – Workforce Solutions Cathy Koegl (919) 814-0421	<u>Subaward Obligations Were Not Reported Timely and Contained Errors</u> Finance staffing has been hired to bring unit to full staff. Current year reporting has been submitted timely and accurately. Monthly review for updates of equal or greater than \$25,000 per subrecipient has been initiated into controls to maintain accuracy. <i>Anticipated Completion Date:</i> March 9, 2015
2014-010	Commerce – Workforce Solutions Daniel Giddens (919) 814-0325	<u>Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans</u> Division staff use a tracking form that contains information on site visits to all sub-recipients. This form also includes a column for the due date of the response to any findings or recommendations, as well as, a column for the date the response was received. While staff do follow-up on late responses, usually by phone or e-mail, that follow-up information is not always documented in the monitoring file. Staff will continue to use the tracking form to monitor response due dates and will be more conscientious about documenting in the monitoring file any follow-up on late monitoring responses from the sub-recipients during the monitoring cycle for Program Year 2014. <i>Anticipated Completion Date:</i> March 9, 2015
2014-011	Commerce – Workforce Solutions Cathy Koegl (919) 814-0421	<u>Subaward Obligations Were Not Reported Timely and Contained Errors</u> See 2014-009 for Corrective Action Plan.
2014-012	Commerce – Workforce Solutions Daniel Giddens (919) 814-0325	<u>Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans</u> See 2014-010 for Corrective Action Plan.
2014-013	Commerce – Workforce Solutions Cathy Koegl (919) 814-0421	<u>Subaward Obligations Were Not Reported Timely and Contained Errors</u> See 2014-009 for Corrective Action Plan.
2014-014	Commerce – Workforce Solutions Daniel Giddens (919) 814-0325	<u>Procedures Not Established to Track and Verify the Receipt of Subrecipient Site-Visit Action Plans</u> See 2014-010 for Corrective Action Plan.

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-015	Transportation State Construction Engineer Ron Hancock, PE (919) 707-2400	<p data-bbox="573 428 1463 487"><u>Controls Were Not Operating Effectively To Ensure Payment of Minimum Pay Rates</u></p> <p data-bbox="573 520 1463 611">Section 107-22 of the Construction Manual will be reviewed to determine if clarifications in the processes are needed or if form FAP-1 needs to be revised or automated to better facilitate data entry.</p> <p data-bbox="573 644 1463 827">The audit findings will be highlighted at four regional Construction Engineers' Workshops to be held in March and April 2015. In addition, for the offices where the audit findings occurred, the specific findings will be reviewed with the Resident Engineer and the office staff responsible for reviewing Davis-Bacon payroll data. Existing procedures will be reviewed to make sure they understand the procedures.</p> <p data-bbox="573 861 1463 951">Internal reviews will take place for all offices administering Federal projects to make sure the responsible staff understands the processes that need to be followed. Follow up visits will be made where issues are identified.</p> <p data-bbox="573 984 1463 1073"><i>Anticipated Completion Date:</i> The first two items in above corrective action plan will be completed by April 30, 2015. Follow up reviews, if needed, will be completed by June 30, 2015.</p>
2014-016	Transportation State Materials Engineer Christopher A. Peoples, PE (919) 329-4000	<p data-bbox="573 1106 1114 1136"><u>Quality Assurance Testing Standards Not Met</u></p> <p data-bbox="573 1169 1463 1287">Corrective Action Plan (Asphalt Mix and Density Testing and Independent Assurance Testing for Concrete): We have reviewed the results of the Audit and are in agreement with the findings. The following are the corrective actions that will be implemented for each of the three separate items:</p> <p data-bbox="573 1320 935 1350">Asphalt Mix QA and V Testing:</p> <p data-bbox="573 1383 1463 1898">As of February 28, 2015 all QA Asphalt Labs that formerly reported to NCDOT's 14 Divisions now report to the Materials and Tests Unit. The 14 QA Supervisors that are responsible for the day-to-day operations now directly report to the State Asphalt Materials Engineer. The State Asphalt Materials Engineer will develop a HiCAMS (Construction & Materials Database) query similar to what was used by the State Auditor's Office to track the sampling and testing performed by the QA. The QA Supervisors will have access to this query and will perform the query quarterly to assess whether their sample and test frequency requirements for asphalt mix are being met. Each QA Supervisor will report the findings of the query to the State Asphalt Materials Engineer copying the State Materials Engineer and use the query results to ensure that they meet the minimum frequency established for each asphalt formula they are responsible for. A meeting has been scheduled for March 24, 2015 to discuss this process with representatives from each of the 14 QA laboratories. They will be instructed to begin the quarterly review process starting April 1, 2015. Additionally, the language in the QMS Asphalt Manual, which provides requirements related</p>

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		<p>to sampling and testing of Asphalt, will be reviewed and discussed to clarify the sampling and testing requirements.</p> <p>Asphalt Roadway Density QC, QA and V Testing:</p> <p>The responsibility for ensuring the appropriate amount of density testing is performed lies with Division personnel. Research of the audit data will be performed to determine the details of findings for each specific contract reviewed. The information from this research will be reviewed with the Division personnel responsible for accomplishing these duties in order to provide education on proper processes and documentation to ensure that minimum sampling and testing are met. Additionally, the results of the audit will be shared with representatives from each Resident Engineer's office via four regional training workshops beginning on March 9, 2015 and ending on April 1, 2015.</p> <p>A formal memorandum to Division Engineers and appropriate staff detailing the audit findings and corrective actions will be sent by April 15, 2015.</p> <p>A similar HiCAMS query to the process noted above will also be developed to establish a method for reviewing the density process. The query will be used to determine when the required frequencies for roadway densities are not being met. This will trigger a review by the Asphalt Pavement Specialists responsible for the area that a particular project is in to conduct an in depth review of sampling and testing data and documentation. The Resident Engineer will be notified of any deficiencies and immediate corrective actions will be required. This review process will be run quarterly for each project beginning April 15, 2015.</p> <p>Modifications will also be made to the M&T 605 (Asphalt Roadway Inspector's Daily Report) to ensure that the required information is clearly entered on the form. Additionally, the language in the QMS Asphalt Manual, which provides requirements related to sampling and testing of Asphalt, will be reviewed and discussed to clarify the sampling and testing requirements. This will be accomplished by May 1, 2015.</p> <p>Independent Assurance Testing for Concrete:</p> <p>As detailed in the finding, this was also a finding for fiscal year 2013. As such, corrective actions have already been implemented as of January 1, 2014. The corrective actions have been in place for over one year and the Department met its targets for calendar year 2014, which was to assess a minimum of 80 percent of all actively testing technicians. The finding for fiscal year 2014 also notes that tests were performed on the implemented "system based" Independent Assurance process for the period of January 1, 2014 through June 30, 2014 and that no errors in the process were found. The Department will continue to operate under the</p>

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2014-017	Transportation Director of Rail Division Paul Worley (919) 707-4700	<p data-bbox="570 428 1463 485">new system and has controls in place to monitor the performance throughout the calendar year to ensure compliance.</p> <p data-bbox="570 520 1463 638"><i>Anticipated Completion Date:</i> The corrective action implementation for Asphalt Mix will begin on March 24, 2015 and will be completed by May 1, 2015. The corrective action implementation for Asphalt Roadway Density will begin on March 9, 2015 and will be completed by May 1, 2015.</p> <p data-bbox="570 674 1463 764">The corrective action implementation for Independent Assurance Testing for Concrete began prior to January 1, 2014 and was completed on January 1, 2014.</p> <p data-bbox="570 800 1463 856"><u>Controls Were Not Operating Effectively to Ensure Payment of Minimum Pay Rates</u></p> <p data-bbox="570 892 992 919">The identified deficiencies included:</p> <p data-bbox="570 955 1463 1129">FAP-1 Form Errors – The standard construction manual procedure for insuring payment of minimum pay rates includes a standard form called the FAP-1. An FAP-1 is completed to record the active/inactive contractor and subcontractor. The audit found three (3) of the FAP-1 forms were filled out incorrectly by not including all active contractors for which certified payrolls were received.</p> <p data-bbox="570 1165 1463 1222">Missing Certified Payroll - There was one (1) instance where FAP-1 and the associated diary were correct but the certified payroll was missing.</p> <p data-bbox="570 1260 841 1287">Corrective Action Plan:</p> <p data-bbox="570 1323 1463 1440">The Division of Highways is managing the construction contracts for the Department let portion of ARRA Track and Structure projects (the focus of the minimum pay rate audit for SFY2014). The Rail Division will coordinate with the State Construction Engineer on the following corrective action plan:</p> <ol data-bbox="618 1476 1463 1812" style="list-style-type: none"> <li data-bbox="618 1476 1463 1623">1. The Construction Unit will review existing Department Construction Manual Davis-Bacon procedures, assure appropriate Department staff are properly trained, serve as a resource for administration of Davis-Bacon requirements, and conduct internal Davis-Bacon audits with the Area Engineers. <li data-bbox="618 1659 1463 1812">2. Rail Division F&C Manager will provide details of the corrective actions taken by the Department staff to the Rail Director including any procedural revisions, proof of training for Department staff, and annual audit reports. These items will be provided to the F&C Manager by the Construction Unit. <p data-bbox="570 1848 1076 1875"><i>Anticipated Completion Date:</i> June 1, 2015</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-018	Transportation Director of Rail Division Paul Worley (919) 707-4700	<p><u>Federal Report Contained Errors</u></p> <p>The Rail Division Finance & Contracts (F&C) Manager will review and seek input from the Department's Financial Management Division to ensure an optimal approach for financial reporting and the creation of the SF-425 to include:</p> <ol style="list-style-type: none"> 1. Use of SAP report (FBL3N) as provided this year by the auditors for checking cash receipts. 2. Methods to maintain copies of all supporting documents (screen shots) used when compiling the cash receipts and expenditures reported on SF-425. 3. Update variants in SAP to remove specific cost elements (retainage and assets) from reporting tool to ensure these are not included in future expenditure reports. 4. All SF-425 forms submitted for SFY 2014 and SFY 2015 will be reviewed and revised to reflect necessary changes to satisfy the findings from the SFY 2014 Single Audit. Corrected SF-425 forms will be coordinated with and issued to John Winkle, FRA Grant Manager for approval. 5. Rail Division F&C Manager and Business Officer will conduct quarterly reviews with the contract program coordinator on the preparation of the SF-425 report and provide proof to the Rail Director that the proper accounting system reports are being used when preparing the quarterly reports. <p><i>Anticipated Completion Date:</i> June 1, 2015</p>
2014-019	Transportation Public Transportation Director Debra Collins (919) 707-4684	<p><u>Subaward Obligations Were Not Reported</u></p> <p>Public Transportation Division has created a master table of all subrecipient required data and enters the information into FFATA 30 days after notification of grant award from FTA.</p> <p><i>Corrective Action Was Completed On:</i> January 5, 2015 – date closed in FTA review</p>
2014-020	Transportation Public Transportation Director Debra Collins (919) 707-4684	<p><u>Subrecipient Data in Federal Reports Not Reviewed</u></p> <p>The Public Transportation Division implemented procedures in FY 15 to validate data:</p> <ul style="list-style-type: none"> • Created and maintaining master spreadsheet that shows funds received by subrecipient

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		<ul style="list-style-type: none"> • Requiring all subrecipients to have scheduling / billing software by June 30, 2015 • Requiring documentation of trips carried from the software with quarter and annual operating statistics (OPSTATS) submissions. • OPSTATS Annual report is signed by the subrecipients' authorized official and TAB Chairperson certifying the data's accuracy. In FY 15, we will be requiring June invoices no later than July 30, and once again test whether NCDOT SAP reports can match local audit numbers as well as adding a signature for the finance director. To date, this has not been possible. • Two weeks of total trip data is reported and tested for accuracy by our Mobility Development Specialists at one of their structured site visits. Top to bottom review of manifests, scheduling software and billing. • NTD's new web portal is only partially developed, so we are currently validating system and data totals for FY 14. When NTD can generate reports, we will be able to review more detailed data. Our procedure for FY 14 NTD reporting forward will be, prior to final submittal to NTD, the Public Transportation Division will: <ul style="list-style-type: none"> – match the master spreadsheet to subrecipients, – validate passengers, miles, and hours to what was reported on OPSTATS, – validate financial data to what is reported in OPSTATS.
		<p><i>Anticipated Completion Date:</i> With FY 14 reporting and FY 15 site visits / oversight, all are complete but the last bullet. The last bullet will depend on when FTA's new NTD website functions accurately.</p>
2014-021	Transportation Public Transportation Director Debra Collins (919) 707-4684	<p><u>Failure to Verify DUNS Number and Valid Local Match Prior to Award</u></p> <p>The Public Transportation Division has instructed staff and on what are eligible local matches.</p> <p>The Public Transportation Division's online grant program requires subrecipients to enter DUNS #s with each application. The Public Transportation Division has documented all DUNS #s in a master spreadsheet and has requested the Financial Management Division and IT to create a placeholder for the DUNS # to be captured in the vendor record, no longer requiring it to be entered with each grant application.</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-022	Transportation Public Transportation Director Debra Collins (919) 707-4684	<p data-bbox="570 428 1464 483"><i>Anticipated Completion Date:</i> Valid local match completed January 5, 2015. DUNS anticipated completion date is April 8, 2015.</p> <p data-bbox="570 520 1170 548"><u>Subrecipient Monitoring Not Adequately Performed</u></p> <p data-bbox="570 583 1464 638">The Public Transportation Division has implemented the following changes since the FY13 audit:</p> <ul data-bbox="618 680 1464 1205" style="list-style-type: none"> <li data-bbox="618 680 1464 764">• All subrecipients, including their Financial Manager, were required to attend training in July 2014, prior to FY 14 grant release. Follow up financial and oversight expectations have been communicated. <li data-bbox="618 806 1464 861">• Full documentation is submitted with each invoice, starting May 2014. <li data-bbox="618 903 1464 1016">• A six year master timeline for oversight was developed and procurement of services completed. The timeline covers compliance oversight, Safety/Drug and Alcohol oversight and planning. These activities started in FY 15. <li data-bbox="618 1058 1464 1113">• Public Transportation Division staff are performing 2 structured site visits each year. <li data-bbox="618 1155 1464 1205">• A more structured review of grant requests was implemented for FY 16 grant review cycle. <p data-bbox="570 1247 1224 1274"><i>Corrective Action Was Completed On:</i> August 15, 2014</p>
2014-023	Transportation Public Transportation Director Debra Collins (919) 707-4684	<p data-bbox="570 1304 1464 1358"><u>Subrecipient Charter Service Reports Submitted Late to the Federal Transit Authority</u></p> <p data-bbox="570 1400 1464 1610">The Public Transportation Division has created a plan to submit Charter Service Reports to the Federal Transit Authority (FTA) as outlined in the FTA guidelines. The procedures include: subrecipients submitting Charter Report Forms to Public Transportation Division, MDS reviewing Charter Report Forms and entering/dating reports on Charter Exception Tracking Form, Project Manager reviewing and uploading Charter Reports into the FTA TEAM process within 30 days of the end of each quarter.</p> <p data-bbox="570 1652 1245 1680"><i>Corrective Action Was Completed On:</i> February 15, 2015</p>
2014-024	Environment and Natural Resources Rex Whaley (919) 707-8561	<p data-bbox="570 1709 1464 1764"><u>Construction Project Inspections Were Not Monitored by Management to Ensure Timely Performance and Public Health is Protected</u></p> <p data-bbox="570 1799 1464 1915">The Department started developing a new construction management standard operating procedure to cover both the Drinking Water State Revolving Fund (DWSRF) program and the Clean Water State Revolving Fund (CWSRF) program in early February 2015. The new procedure will be</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-025	University of North Carolina Chapel Hill Shirley Ort (919) 962-2315	<p>largely based upon the practices currently used in the management of the CWSRF program (not cited for any findings), but will incorporate some aspects of the DWSRF program. The new procedure will include a mechanism to establish unique inspection plans based on project specific criteria. Supervisory and staff responsibilities will be clearly defined to ensure inspection plans are implemented appropriately.</p> <p>The Department is currently developing a new project database to cover all programs in the Division of Water Infrastructure. The new database will provide tracking of all major project milestones including construction inspections. Due to the scope of this project, there is no firm timeline for the completion of the database at this time. Therefore in the interim, current databases will be modified to provide additional inspection tracking and reporting to management.</p> <p>The Department expects the draft standard operating procedure to be developed by the end of March and finalized in order to begin staff training by the end of April 2015.</p> <p><i>Anticipated Completion Date: April 30, 2015</i></p> <p><u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u></p> <p>Throughout its history, the University has maintained a single policy to define academic progress for undergraduate students regardless of their receipt of financial aid. The Office of Scholarships and Student Aid recently became aware of limitations within this longstanding academic progress policy and its corresponding procedures, and took action to correct them in early spring 2014. The state audit encompassed the 2013-14 academic year. During the audit entrance interview in June 2014, the University affirmatively and voluntarily disclosed to the Office of the State Auditor that the University had concerns about its prior policy and procedures and that it was in the process of amending its policy and procedures to address the deficiencies that had been identified. The University has implemented a new satisfactory academic progress policy and procedure for purposes of the Title IV federal student financial aid programs, effective with the 2014-15 academic year. The new policy and procedure addresses the prior shortcomings. Furthermore, the new policy and procedure is based on guidance in the U.S. Department of Education's Federal Student Aid Handbook, is now administered by the Office of Scholarships and Student Aid, and is currently in effect for all recipients of need-based financial aid.</p> <p>Please refer to the new policy included on our website: http://studentaid.unc.edu/eligibility-for-aid/sap/.</p> <p><i>Corrective Action Was Completed On: August 18, 2014</i></p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-026	Winston-Salem State University Financial Aid Robert Muhammad (336) 750-3299	<u>Required Written Notifications Were Not Supplied to Students</u> The settings for automated notifications in the self-service system have been properly adjusted and notifications for Financial Aid Awards and Direct Loans are sent out each time students are awarded. <i>Corrective Action Was Completed On:</i> Issue was resolved in late July / early August 2014.
2014-027	Public Instruction Leigh Ann Kerr (919) 807-3553	<u>Fiscal Monitoring Results Were Not Communicated Timely</u> The Department implemented fiscal monitoring policies and procedures, standard fiscal monitoring cover letter/report formats and a comprehensive tracking log to ensure timely communication of fiscal monitoring results and subrecipient corrective action. <i>Corrective action occurred:</i> July 1, 2014
2014-028	Public Instruction Donna Brown (919) 807-3443	<u>Title I Program Monitoring Visits Not Timely Reviewed for Completeness</u> The Department will revise Title I program monitoring policies and procedures and implement a comprehensive tracking log to ensure all Title I program monitoring efforts, including supervisory review and subrecipient corrective action, occur in a timely manner. <i>Anticipated Completion Date:</i> June 30, 2015
2014-029	Public Instruction Karl Pond (919) 807-3241	<u>Inaccurate School Reporting Could Impact Parental School Decision</u> The Department corrected the error when identified, moved to a new technology platform, and reworked the School Report Card (SRC) website for the 2013-14 school year. The new website strengthens the review and quality assurance efforts. For the 2014-15 release, a test environment for the School Report Card is being built, which will allow for an even more robust quality assurance and longer data preview period. <i>Anticipated Completion Date:</i> Corrective Action occurred in October 2014.
2014-030	Public Instruction Tammy Howard (919) 807-3787 Karen Hoeve (919) 807-3694	<u>Required Verification of Graduation Rates Was Not Performed</u> The Department provides the CGRAUDIT (cohort graduation audit) file and the CGREXIT (cohort graduation rate exit) file to LEAs and charter schools. Any students withdrawn from the cohort are flagged for confirmation. The Department will require LEAs and charter schools to maintain evidence/documentation for each withdrawal to include, but not limited to, certifications of death, transfers to private schools, transfers to homeschools, certifications of the student(s) leaving the state or country, and certifications of the student (s) being in a detention center. The LEA or school accountability director/test coordinator and the respective

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		superintendent will verify the evidence/documentation and sign and date the required End of Year Data Collection Sign Off which is provided to the Department's Division of Accountability Services. <i>Anticipated Completion Date:</i> During fiscal year 2015-16
2014-031	Public Instruction Leigh Ann Kerr (919) 807-3553	<u>Fiscal Monitoring Results Were Not Communicated Timely</u> See 2014-027 for Corrective Action Plan.
2014-032	Fayetteville State University Willie Mae McIntyre (910) 672-1086	<u>Lack of Verification to Ensure the University is Not Contracting with Debarred Vendors</u> Fayetteville State University has implemented standards and controls to avoid contracting debarred vendors. However, these controls have not been consistently monitored or administered. To improve the process, management will be providing professional development training to the Purchasing staff on the Single Audit Debarred Vendor Standards. Additionally, during our bi-monthly Business and Finance status meetings, management will address and place increased emphasis on the Debarred Vendor Transactions Certification process. Additionally, our Systems and Procedures Office is in the process of developing an electronic validation certification process within SciQuest, Purchase to Portal. This electronic purchase to payment portal will require the debarred vendor certification for qualifying purchases. Further, the Systems and Procedures Office will develop diagnostic reports for qualifying payments to validate required debarred certifications which are documented and prerequisite vendor record files. <i>Anticipated Completion Date:</i> May 26, 2015
2014-033	University of North Carolina Chapel Hill Shirley Ort (919) 962-2315	<u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u> See 2014-025 for Corrective Action Plan.
2014-034	Winston-Salem State University Financial Aid Robert Muhammad (336) 750-3299	<u>Required Written Notifications Were Not Supplied to Students</u> See 2014-026 for Corrective Action Plan.
2014-035	University of North Carolina Chapel Hill Shirley Ort (919) 962-2315	<u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u> See 2014-025 for Corrective Action Plan.

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-036	Winston-Salem State University Financial Aid Robert Muhammad (336) 750-3299	<u>Required Written Notifications Were Not Supplied to Students</u> See 2014-026 for Corrective Action Plan.
2014-037	Public Instruction Leigh Ann Kerr (919) 807-3553	<u>Fiscal Monitoring Results Were Not Communicated Timely</u> See 2014-027 for Corrective Action Plan.
2014-038	Elizabeth City State University Tracie Hunter (252) 335-4850	<u>Error in Calculation for Return of Title IV Funds</u> The Director for Financial Aid will ensure that the following procedures are implemented immediately to ensure required calculations for the return of Title IV funds are complete, accurate, and returned on a timely basis. Further, Financial Aid will apply this procedure retrospectively starting with July 1, 2014. Official Withdrawals <ul style="list-style-type: none"> • A monthly report from the Testing/Counseling of all students that have “officially” withdrawn from ECSU will be obtained by Financial Aid. • Financial Aid will evaluate the report to determine which students received federal funding and will conduct a return to Title IV calculation to determine if there are “unearned” funds that must be returned to the awarding agency. • Financial Aid will send a memo to Student Accounts of the Title IV funds that need to be returned listing the student, award agency, and amount. • Financial Aid will send a letter to the student's permanent address on file advising them of the amount of “unearned” aid that was returned to the awarding agency based on the official withdrawal date. • Student Accounts will notify Contracts and Grants the amount to be returned electronically to the awarding agency and will also collect any balances due from the student. Unofficial Withdrawals <ul style="list-style-type: none"> • Financial Aid will contact Institutional Research one week following the submission of mid-term grades requesting a report of all students that received a grade of “FA” in all of their coursework.

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		<ul style="list-style-type: none"> • Financial Aid will then contact the professors of the students identified to determine the last day that the student attended the class. • The last day that student attended the class will be used and the “unofficial” withdrawal date for the return to Title IV calculation. • Financial Aid will send a memo to Student Accounts of the Title IV funds that need to be returned listing the student, award agency, and amount. • Financial Aid will send a letter to the student’s permanent address on file advising them of the amount of “unearned” aid that was returned to the awarding agency based on the official withdrawal date. • Student Accounts will notify Contracts and Grants the amount to be returned electronically to the awarding agency and will also collect any balances due from the student. <p><i>Anticipated Completion Date:</i> March 31, 2015</p>
2014-039	University of North Carolina Chapel Hill Shirley Ort (919) 962-2315	<u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u> See 2014-025 for Corrective Action Plan.
2014-040	University of North Carolina Pembroke Kelley Horton (910) 775-4403	<u>Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid</u> We agree with the auditor’s comments, and the following actions were taken to correct the deficiencies. The Registrar’s Office contacted the National Student Loan Clearinghouse November 20, 2014 and updated UNCP’s profile to include the transmission of our graduated student file to the National Student Loan Data System (NSLDS). In January 2015, the Financial Aid Director selected a sample of students who graduated in December 2014 and verified NSLDS correctly reflected these students’ status as ‘graduated’. Going forward, the Director of Financial Aid (or his/her designee) will conduct a similar review in January and June of each year to ensure that student statuses are correctly updated to ‘graduated’. Because of complications in correcting older file submissions, the status of graduates from the audit year (2013-2014) will require more time to be updated in NSLDS, but updates should be completed by June 30, 2015.
		<p><i>Anticipated Completion Date:</i> June 30, 2015</p>

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2014-041	Winston-Salem State University Registrar Sharon Stoddard (336) 750-3339	<p><u>Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid</u></p> <p>The issues of timely reporting have been resolved, which has reduced the time delay in transmissions and information is being reported more timely and accurately.</p> <p>The Office of Scholarships and Financial Aid has granted the Office of Registrar staff view access to the students' FAFSA form via Banner. This allowed the staff of the Office of the Registrar to obtain social security numbers and update the student record for the Clearinghouse reporting. This fixes the issues with files being kicked back from the Clearinghouse. However, there are still some unresolved issues with format changes.</p> <p>WSSU will continue to work with Ellucian, WSSU IT, and UNC Registrars to determine the best course of action for unresolved issues.</p> <p><i>Anticipated Completion Date:</i> March 27, 2015</p>
2014-042	Winston-Salem State University Financial Aid Robert Muhammad (336) 750-3299	<p><u>Required Written Notifications Were Not Supplied to Students</u></p> <p>See 2014-026 for Corrective Action Plan.</p>
2014-043	Health and Human Services Elizabeth Bishop (919) 855-3566	<p><u>Errors in Claims Payment Process</u></p> <p>The sample of claims reviewed were processed by the legacy CATS and ESS claims processing systems, which were replaced effective July 1, 2014 with BEAM. The Department will review the structure and logic of BEAM to ensure the accuracy of the claims payment process. To ensure payment rates for services are paid at the correct rates based on current Medicaid rates, the Division of Vocational Rehabilitation (DVR) and Division of Services for the Blind (DSB) have requested a web service between the BEAM case management system and NCTracks to provide Medicaid pricing information for medical, pharmacy, and institutional claims. A web service between BEAM and NCTracks would allow the Divisions to have immediate access to the most current pricing logic and rate data. CSR1723 was approved by the Executive Change Control Board and is currently in process with the NCTracks contractor CSC. The implementation of the web service is scheduled for July 1, 2015. However, errors in the claims payment processes will not fully abate until October 1, 2015.</p> <p><i>Anticipated Completion Date:</i> October 1, 2015</p> <p>DVR will implement the updated policy to clarify requirements and procedures for waiving comparable benefits for diagnostic services on</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		<p>April 15, 2015. The policy change will strengthen documentation procedures to support the waiver of comparable benefits as well as ensure compliance with federal regulations.</p> <p><i>Anticipated Completion Date:</i> April 15, 2015</p> <p>DVR will review and adjust In School Work Adjustment service policy, agreements, and affiliated rates as necessary. This will involve workgroups, review and incorporation of guidance made available through future published regulations. Noted deficiencies will be corrected by October 15, 2015.</p> <p><i>Anticipated Completion Date:</i> October 15, 2015</p> <p>Timely follow up will occur for the collection or payment of the identified over and underpaid claims.</p> <p><i>Anticipated Completion Date:</i> July 1, 2015</p>
	Eddie Weaver (919) 527-6710	<p>DSB hired a temporary employee as a business analyst to assist in the development of the interface between BEAM and NCTracks. DSB will make the appropriate adjustments to the payments as accurate rate information becomes available.</p> <p>Timely follow up will occur for the collection or payment of the identified over and underpaid claims.</p> <p><i>Anticipated Completion Date:</i> July 1, 2015</p>
2014-044	Health and Human Services	<p><u>Management Did Not Take Full Corrective Action on Prior Recommendations</u></p> <p>The Department has partially resolved most of the referenced prior year audit findings and full resolution is anticipated during 2015. Corrective action plans were developed in response to the referenced findings and are being implemented as follows:</p> <p><u>Rehabilitation Services – Vocational Rehabilitation Grants to States</u></p>
	Elizabeth Bishop (919) 855-3566	<p><u>Errors in Claims Payment Process & Deficiencies in Participant Eligibility Documentation</u></p> <p>The Department anticipated that the medical claims payment processing component of the case management system, BEAM, would have been completed and operational during the audit review period. Due to technical reasons, full implementation has not occurred but progress is currently being made. The Division will earnestly work toward planned completion</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		<p>date and management will firmly emphasize the importance of implementing corrective actions in a timely manner.</p> <p><i>Anticipated Completion Date:</i> October 31, 2015</p> <p><u>Medical Assistance Program</u></p>
	<p>Jeff Horton (919) 814-0123</p>	<p><u>Deficiencies with Program Integrity Functions</u></p> <p>The old and outdated case tracking system, which was created in Microsoft Access, is currently being replaced. A new post-payment contract was signed with Public Consulting Group (PCG) in November 2013. As a part of implementing the contract, Program Integrity has worked with PCG to use their case tracking system to track Program Integrity cases, including disposition of cases, investigation, hearings and appeals, etc. Program Integrity began utilizing the system in May 2014. Most modifications to allow Program Integrity to use the system are complete. The system will be fully functional to meet Program Integrity case tracking needs by June 30, 2015. Policies and procedures will be in place to make certain case tracking data is accurate and reliable. In addition, Program Integrity made updates to its policies and procedures to adequately monitor contractor performance in Fall 2014.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
	<p>Shelia Platts (919) 855-4023</p>	<p><u>Deficiencies in Provider Enrollment and Termination Processes</u></p> <p>In September 2013, the Department implemented a new monitoring plan with more control and oversight of service provider activities. The Department has updated the existing monitoring tool. The updates are being tested by the Fiscal Agent Monitors in DMA Provider Relations. It is anticipated that the tool will be tested and fully implemented by April 15, 2015.</p> <p>The Fiscal Agent is developing a quality assurance (QA) process to be conducted by CSC enrollment coordinators prior to enrolling providers to ensure and increase enrollment accuracy. The Fiscal Agent will deliver a draft of this pre-enrollment QA process to DMA Provider Relations for review and approval by April 10, 2015.</p> <p>The Department's efforts to strengthen and improve monitoring tools continue as a work in progress.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>

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For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
	Kent Woodson (919) 733-7013 Kristi Hickman (919) 733-7013	<p><u>Block Grants For Prevention and Treatment of Substance Abuse</u></p> <p><u>Monitoring Procedures Need Improvement</u></p> <p>A quarterly fiscal monitoring process will be implemented to identify deficiencies throughout the year, before the final settlement review is completed.</p> <p>Plans of correction will be required of Local Management Entities-Managed Care Organizations (LME-MCOs) when deficiencies are deemed to be systemic and material.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-045	Health and Human Services Elizabeth Bishop (919) 855-3566	<p><u>Deficiencies in Participant Eligibility Documentation</u></p> <p>Signature Issues of Minor Applicants: On July 1, 2014, DVR strengthened this process in the policy whereby the actual "VR Application" is sent home to the parent along with the "parental letter". Both forms must be signed and returned to the Division before a VR staff member meets with the minor child for intake.</p> <p><i>Anticipated Completion Date:</i> July 1, 2015</p> <p>Client Assets/Financial Need: The Department's new automated case management system (BEAM), effective as of July 1, 2014, is programmed to ensure that cases cannot progress to the plan development phase without completing a financial need survey (FNS) form and establishing the appropriate financial determination. The system ensures that all proper financial documentation, signatures, and forms are in place prior to any status change to the Individualized Plan of Employment (IPE). Additionally, the Department strengthened the verification of client financial resources by updating policy to require 3 months of banking account statements for all bank accounts for individuals determined to be part of the "net family unit." Any excess resources determined from the banking statements must be accounted for on the "financial needs" form.</p> <p><i>Anticipated Completion Date:</i> July 1, 2014</p>
		<p>Timely Eligibility Determinations: Effective December 01, 2014, the Department initiated statewide monitoring procedures of applicant VR files. A consolidated regional report of all applicant VR files that are exceeding sixty days is submitted to the VR State Office by the 15th of each month. The report allows field staff and management to monitor the timeliness of eligibility determinations on a daily/weekly basis in an effort to eliminate "out of compliance" cases. Regional and policy office staff will closely monitor the reports to determine any existing issues that need to be addressed with staff. On March 12, 2015, the Division's policy office began the process of</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		<p>refining the reports to be generated from the BEAM system relative to this issue.</p> <p><i>Anticipated Completion Date:</i> July 1, 2015</p> <p>Client Identification/Verification: Currently, the BEAM intake form allows counselors to document that the client has a North Carolina Driver's License. DVR will explore other options within the BEAM case management system to document that identity has been verified. Once an acceptable solution is identified, policy and procedures will be updated and implemented.</p> <p><i>Anticipated Completion Date:</i> July 1, 2015</p> <p>Client Case File Structure: In April 2015, DVR's Quality Development Specialists will collaborate with management to establish procedures that provide a consistent structure for maintaining information in the non-electronic case file. Once the guidelines are established, Quality Development Specialists will train and provide feedback to counselors during routine case reviews. Managers will also routinely reinforce the guidelines.</p> <p><i>Anticipated Completion Date:</i> July 1, 2015</p>
	Eddie Weaver (919) 527-6710	<p>The DSB will provide re-training for staff in policy for the services provision and continue BEAM training to ensure staff has a strong knowledge base in policy and practice.</p> <p>Timely Eligibility Determinations: The new BEAM case management system has a feature entitled "VR Alerts". This feature allows the counselor and various levels of management to track when clients are approaching certain deadlines to allow for better adherence to guidelines. This VR Alert is reviewed by Rehabilitation Counselors consistently monitored on a monthly basis by Area Supervisors for staff they supervise.</p> <p>Supporting Documentation Incomplete: Staff training to include detail instructions to complete relevant forms will be developed and scheduled. A new Staff Development Specialist has been hired and charged with scheduling training as soon as possible. New instructions for the Financial Need Survey Form have been drafted and will be distributed as a part of training. BEAM also has a scanning component which has not yet been implemented. This feature will allow the leadership team to view the supporting documentation present in the file that supports financial need decisions and determine if decisions are appropriately documented and validated.</p> <p><i>Anticipated Completion Date:</i> July 1, 2015</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-046	Public Instruction Leigh Ann Kerr (919) 807-3553	<u>Fiscal Monitoring Results Were Not Communicated Timely</u> See 2014-027 for Corrective Action Plan.
2014-047	Elizabeth City State University Tracie Hunter (252) 335-4850	<u>Error in Calculation for Return of Title IV Funds</u> See 2014-038 for Corrective Action Plan.
2014-048	Elizabeth City State University Tracie Hunter (252) 335-4850	<u>Lack of Controls Over Required Direct Loan Reconciliations</u> The Director of Financial Aid will ensure the following procedures are implemented starting with the month of January 2015 to ensure that required reconciliations are completed timely, accurately, and documented in accordance with federal compliance requirements: <ul style="list-style-type: none"> • Financial Aid will load the monthly SAS data file into the Banner Financial Aid Module. • A process will run that will generate a file with edits for review. • This file will be loaded into the Direct Loan Tools software for further review and evaluation. • Once the review is complete, the report will be saved on the Financial Aid shared drive as well as printed and signed by the Director of Financial Aid to signify that the monthly reconciliation is complete and accurate. • The monthly report will be retained in a binder for access and review as necessary. <p><i>Anticipated Completion Date:</i> February 28, 2015</p>
2014-049	University of North Carolina Chapel Hill Shirley Ort (919) 962-2315	<u>Satisfactory Academic Progress Policy Did Not Meet Federal Requirements</u> See 2014-025 for Corrective Action Plan.
2014-050	University of North Carolina Chapel Hill Shirley Ort (919) 962-2315	<u>Lack of Controls Over Required Direct Loan Reconciliations</u> We acknowledge that there is no "signature" process by which a senior administrator reviews the efforts of other staff members. But, we do engage in a monthly aggregate reporting of totals that serves to inform three senior staff members of loan totals and reconciliation processes. We believe this to be a sufficient control and to surpass what is required by the applicable federal regulations. We also believe this monthly collection of data

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		<p>encompasses a process very similar to, and much more powerful than, a signature alone.</p> <p>The University does have controls in place and does reconcile the Federal Direct Loan program on a monthly basis.</p> <p>This reconciliation examines:</p> <ol style="list-style-type: none"> (1) Actual disbursements to students in the accounting records of the University, (2) Actual disbursements to students as recorded on their student account, and (3) Actual disbursements to students as recorded by the federal government <p>We reconcile each student's disbursement totals for each award year as recorded in the student account. These amounts are compared and aligned to the student's disbursement records held by the federal government. The records are reconciled by comparing lists of the balances obtained from the University's PeopleSoft system and from the U.S. Department of Education Common Origination & Disbursement (COD) system. We also compare the cumulative total of the disbursements for the award year from the student accounts and the COD system to the cumulative total recorded for the award year in the accounting records of the University. Each award year has a distinct Project ID in the general ledger where all disbursements are recorded; therefore, disbursements are easily reconciled and kept in alignment. The University has successfully reconciled and closed each year of its participation in the Direct Loan program with a zero cash balance and has done so by the required deadline.</p> <p>We regret that we may not have fully described our reconciliation efforts to the audit team while they were on campus. The office does compare the loan disbursement records, including a tie to the accounting system, for all students receiving a loan. Those records are compared and discrepancies are identified and resolved. The accounting records are linked directly to the disbursement record in the PeopleSoft system. A record cannot exist in the accounting system for a student without first existing in the PeopleSoft system. We believe controls are adequate as they currently exist.</p> <p>In addition to the above efforts, on a monthly basis, the deputy director compiles aggregate information regarding disbursed Federal Direct Loans. In a monthly spreadsheet, the deputy director lists the disbursed loan totals from the PeopleSoft system. Also, the deputy director lists the disbursed totals as reported to the COD system. These totals are then sent in an attached spreadsheet to the senior associate director of financial aid and the associate provost / director of financial aid. The director reviews,</p>

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		monthly, all loan reconciliation records submitted to General Administration as part of the ongoing Business Compliance Program (formerly FIT). <i>Anticipated Completion Date:</i> We believe the current monthly review by the director to be a sufficient control. However, a monthly signature process will be implemented effective with the 2015-16 academic year.
2014-051	University of North Carolina Pembroke Kelley Horton (910) 775-4403	<u>Enrollment Reporting Errors Threaten Eligibility for Title IV Student Aid</u> See 2014-040 for Corrective Action Plan.
2014-052	Winston-Salem State University Registrar Sharon Stoddard (336) 750-3339	<u>Enrollment Reporting Errors Threaten Eligibility For Title IV Student Aid</u> See 2014-041 for Corrective Action Plan.
2014-053	Winston-Salem State University Financial Aid and Finance Robert Muhammad (336) 750-3299 Nathan Thompson (336) 750-8845	<u>Required Direct Loan Reconciliations Were Not Properly Performed</u> WSSU is working to develop an electronic reconciliation process. This process will use data in Banner, and the University's accounting system to assist in the reconciliation between the necessary offices. Additional verification will be performed in Common Origination and Disbursement (COD). Additionally, WSSU will incorporate the best practice reconciliation processes as suggested by the Department of Education. A policies and procedures section will be developed for the office's policies and procedures guide. <i>Anticipated Completion Date:</i> July 1, 2015
2014-054	Winston-Salem State University Financial Aid Robert Muhammad (336) 750-3299	<u>Required Written Notifications Were Not Supplied to Students</u> See 2014-026 for Corrective Action Plan.
2014-055	Public Instruction Donna Brown (919) 807-3443	<u>Department Failed to Fully Document Subrecipient Monitoring Visits</u> a. The Department will implement a comprehensive tracking log to ensure all Twenty-First Century Community Learning Center monitoring efforts, including supervisory review, occur in a timely and documented manner.

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		<p>b. The Department revised policies and procedures related to program monitoring of 21st CCLC subrecipients to be consistent with those for Title I, including a revised report format to ensure issued reports include appropriate documentation.</p> <p><i>Anticipated Completion Date:</i></p> <p>a. June 30, 2015</p> <p>b. June 30, 2015</p>
2014-056	Public Instruction Leigh Ann Kerr (919) 807-3553	<p><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p>See 2014-027 for Corrective Action Plan.</p>
2014-057	Public Instruction Leigh Ann Kerr (919) 807-3553	<p><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p>See 2014-027 for Corrective Action Plan.</p>
2014-058	Public Instruction Leigh Ann Kerr (919) 807-3553	<p><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p>See 2014-027 for Corrective Action Plan.</p>
2014-059	Public Instruction Sarah Harris (919) 807-3636	<p><u>Documentation Did Not Support Salary Payments</u></p> <p>The Department will implement procedures to identify and inform federally funded temporary and contract employees and their supervisors of federal time and effort reporting requirements. The Department will review temporary and contract employee listings on a monthly basis and develop a tracking system to ensure that employees do not end their employment without submitting an approved time and effort report.</p> <p><i>Anticipated Completion Date:</i> During fiscal year 2014-15</p>
2014-060	Public Instruction Leigh Ann Kerr (919) 807-3553	<p><u>Fiscal Monitoring Results Were Not Communicated Timely</u></p> <p>See 2014-027 for Corrective Action Plan.</p>
2014-061	Health and Human Services Division of Aging and Adult Service (DAAS) Wayne Mixon (919) 855-3445	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>DAAS has developed and implemented procedures to ensure that all subawards and contracts subject to FFATA are prepared accurately and submitted timely in accordance with federal guidelines. Relevant DAAS Employees received Federal Funding Accountability and Transparency Act (FFATA) training March 19, 2015.</p>

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2014-062	Health and Human Services Division of Aging and Adult Service (DAAS) Wayne Mixon (919) 855-3445	<p>In addition, subsequent notification of the completion of the FFATA reports, including amendments, will be submitted by divisions each month to the Department's Office of the Controller for monitoring purposes.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p> <p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>See 2014-061 for Corrective Action Plan.</p>
2014-063	Health and Human Services Division of Aging and Adult Service (DAAS) Wayne Mixon (919) 855-3445	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>See 2014-061 for Corrective Action Plan.</p>
2014-064	Health and Human Services Julie A. Casani (919) 715-6734	<p><u>Required Level of Service Not Reported Accurately</u></p> <p>As a result of a site visit and recommendation provided by the federal oversight agency on March 3, 2014, the program identified state appropriations in the Communicable Disease Surveillance and Control Medical Consultation Unit to meet the requirements for Maintenance of Funding (MOF). This figure was reported in the third year application of the grant award and will continue to be calculated and reported in subsequent fiscal years as required.</p> <p><i>Anticipated Completion Date:</i> Completed March 9, 2014</p>
2014-065	Health and Human Services Julie A. Casani (919) 715-6734	<p><u>Subaward Obligations Were Not Reported Timely and Reports Contained Errors</u></p> <p>The following efforts have or will be implemented to ensure that all subawards and contracts subject to FFATA are prepared accurately and submitted timely:</p> <ol style="list-style-type: none"> 1. Most of the late contracts have been entered into the FFATA reporting system. The remaining contracts will be uploaded into the system when the batch method is fully implemented. 2. The duplicate contracts reported will be removed. 3. The program is testing a batch format method to upload the FFATA reports for eligible counties. Most counties have been successfully

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		reported using this method. Approximately 20 county contracts remain to be manually uploaded.
		<i>Anticipated Completion Date:</i> June 30, 2015
	Jessica Trembly (919) 855-3957	Training has been completed and procedures implemented to ensure that any contractor that receives \$25,000 or more of the Hospital Preparedness Program (HPP) funds receives, along with their contract, a FFATA form. The FFATA form must be completed and returned along with the signed contract. The contract will not be fully executed until the FFATA form is returned. The information on the completed form will be entered into the Federal Sub-Awardee Reporting System (FSRS) for public review accurately and timely as required by the FFATA. FFATA forms that should have been entered into the Federal Sub-Awardee Reporting System for FY 14 will be identified and entered.
		<i>Anticipated Completion Date:</i> April 15, 2015
2014-066	Health and Human Services David Locklear (919) 527-6311	<u>Deficiencies in County Eligibility Determination Processes</u> Monitoring visits are scheduled based on the caseload size of each county. Large counties are reviewed annually, whereas medium and small counties are monitored every three years. TANF monitors review a random sample of case files for accuracy and required documentation. The cases with questioned cost identified during the audit will be investigated to determine the overpayment amounts and recoupments will be established. A special case file review will be conducted for Forsyth, Guilford and Wake Counties by May 30, 2015.
		<i>Anticipated Completion Date:</i> May 30, 2015
2014-067	Health and Human Services Kevin Kelley (919) 527-6401	<u>Deficiencies in County Eligibility Determination Processes</u> NC DSS will revise the Adoption Assistance eligibility determination training curricula by June 30, 2015 to place emphasis on the items noted as deficient in the audit. The revised training will be made available online by December 31, 2015 as an "on demand" training for county staff determining eligibility for Title IV-E Adoption Assistance. Additionally, the form DSS-1808 – Report on Proposed Adoption, will be examined for opportunities to emphasize the issues noted as a result of the audit.
		<i>Anticipated Completion Date:</i> June 30, 2015
2014-068	Health and Human Services Kevin Kelley (919) 527-6401	<u>Monitoring of Child Abuse Registry Not Being Performed</u> The Division of Social Services will revise the IV-E Adoption Assistance monitoring tool and protocol to include the verification that the Responsible Individuals List (RIL) has been executed. The monitoring tool will include an indicator field to verify that the RIL check has been performed and the date

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
		<p>on which the name check was verified. Monitoring staff will begin using the revised tool effective April 1, 2015.</p> <p><i>Anticipated Completion Date: April 1, 2015</i></p>
2014-069	Health and Human Services Linda Marsh (919) 814-0134 Jackie Holloway (919) 814-0066	<p><u>Errors in Children's Health Insurance Provider Billing and Payment Process</u></p> <p>The Department's Division of Medical Assistance (DMA) will investigate the sixteen (16) claim errors cited to determine which claims were paid in error, or if the error cited can be resolved by obtaining additional documentation from the provider.</p> <p>DMA will continue to pursue amendments to G.S. 108C to strengthen requirements for providers to submit documentation to support medical necessity and coding of services billed to Children's Health Insurance Program.</p> <p>DMA Provider Reimbursement will review current procedures and will work closely with the Fiscal Agent on documenting and reviewing rate modifications in NCTracks timely. Payment memos will be prepared to recoup system identified overpayments/underpayments, which is standard practice.</p> <p>DMA will follow-up on all over and underpaid paid claims to ensure appropriate collection or payment is made.</p> <p><i>Anticipated Completion Date: June 30, 2015</i></p>
2014-070	Health and Human Services Jackie Holloway (919) 814-0066	<p><u>Deficiencies with the Rate Change Process</u></p> <p>DMA Program Reimbursement Section will work closely with the Fiscal Agent on documenting and reviewing rate modifications in NCTracks timely. Payment memos will be submitted to the Fiscal Agent to recoup identified overpayments/underpayments, which is standard practice.</p> <p><i>Anticipated Completion Date: June 30, 2015</i></p>
2014-071	Health and Human Services Steve Tedder (919) 855-4228	<p><u>Deficiencies in NCTracks Program Change Controls</u></p> <p>DMA has implemented, in conjunction with the DHHS CIO and the Fiscal Agent, formal review and approval processes. DMA will review these processes and make any necessary modifications. Any modifications will be communicated to the appropriate stakeholders. In addition, system changes will be reviewed periodically to ensure their accordance with established processes.</p> <p><i>Anticipated Completion Date: May 1, 2015</i></p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-072	Health and Human Services Shelia Platts (919) 855-4023	<p><u>Deficiencies in Provider Enrollment and Termination Processes</u></p> <p>In September 2013, the Department implemented a new monitoring plan with more control and oversight of service provider activities. The Department has updated the existing monitoring tool. The updates are being tested by the Fiscal Agent Monitors in DMA Provider Relations. It is anticipated that the tool will be tested and fully implemented by April 15, 2015.</p> <p>The Fiscal Agent is developing a quality assurance (QA) process to be conducted by CSC enrollment coordinators prior to enrolling providers to ensure and increase enrollment accuracy. The Fiscal Agent will deliver a draft of this pre-enrollment QA process to DMA Provider Relations for review and approval by April 10, 2015.</p> <p>The Department's efforts to strengthen and improve monitoring tools continue as a work in progress.</p> <p><i>Anticipated Completion Date: June 30, 2015</i></p>
2014-073	Health and Human Services Jeff Horton (919) 814-0123	<p><u>Deficiencies with Program Integrity Functions</u></p> <p>The old and outdated case tracking system, which was created in Microsoft Access, is currently being replaced. A new post-payment contract was signed with Public Consulting Group (PCG) in November 2013. As a part of implementing the contract, Program Integrity has worked with PCG to use their case tracking system to track Program Integrity cases, including disposition of cases, investigation, hearings and appeals, etc. Program Integrity began utilizing the system in May 2014. Most modifications to allow Program Integrity to use the system are complete. The system will be fully functional to meet Program Integrity case tracking needs by June 30, 2015. Policies and procedures will be in place to make certain case tracking data is accurate and reliable. In addition, Program Integrity made updates to its policies and procedures to adequately monitor contractor performance in Fall 2014.</p> <p><i>Anticipated Completion Date: June 30, 2015</i></p>
2014-074	Health and Human Services Shelia Platts (919) 855-4023	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>The Department will provide guidance and instructions to counties on using the Medicaid Eligibility Manual and the Integrated Eligibility Manual to determine adequate supporting documentation required to be maintained for eligibility determination. The Medicaid Eligibility Unit will conduct reviews of applications and the DMA Program Integrity Eligibility Quality Assurance unit will conduct targeted record reviews as needed. The Department will conduct trainings to counties. The DHHS Operational Support Team will subsequently perform onsite county reviews and visits to follow up on the</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-075	Health and Human Services Linda Marsh (919) 814-0134 Jackie Holloway (919) 814-0066	<p>effectiveness of training previously provided and additional guidance will be issued as necessary.</p> <p>Policy and Guidance will be issued through Administrative Letters and Manual Change Notices by June 30, 2015.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p> <p><u>Errors in Medicaid Provider Billing and Payment Process</u></p> <p>The Department's Division of Medical Assistance (DMA) will investigate the sixty- six (66) claim errors cited to determine which claims were paid in error, or if the error cited can be resolved by obtaining additional documentation from the provider.</p> <p>DMA will continue to pursue amendments to G.S. 108C to strengthen requirements for providers to submit documentation to support medical necessity and coding of services billed to Children's Health Insurance Program.</p> <p>DMA Provider Reimbursement will review current procedures and will work closely with the Fiscal Agent on documenting and reviewing rate modifications in NCTracks timely. Payment memos will be prepared to recoup system identified overpayments/underpayments, which is standard practice.</p> <p>DMA will follow-up on all over and underpaid paid claims to ensure appropriate collection or payment is made.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-076	Health and Human Services Roger Barnes (919) 855-4109	<p><u>Medicaid Disproportionate Share Hospital Payments Made Incorrectly</u></p> <p>As a result of the auditor's review, the FFY 2014 model is based upon a working draft where any errors that might occur are resolved with the fourth quarter payments.</p> <p>The Department corrected data errors, payment calculations, and changes to hospital classification and status in the fourth quarter of the FFY 2014 payment model. Overpayments from the FFY 2013 fourth quarter payment model have been collected. The federal share has been returned to CMS via the CMS 64 quarterly report.</p> <p>The Department also implemented policies and procedures to ensure that payments are made accurately, rely on correct information, and apply the correct federal medical assistance percentage. Payment memos are sent to the Department's Division of Medical Assistance (DMA) Budget Office for coding verification to draw the appropriate federal medical assistance percentages. Upon confirmation, the memos are sent for approval.</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-077	Health and Human Services Jackie Holloway (919) 814-0066	<p>A payment memo was approved for increasing the payment to the State hospitals. The notice of the increase in the FFY 2013 allotment was received after the fourth quarter payments were made.</p> <p>Subsequent to the payment memo approvals, the Budget Office received addition guidance from CMS. The Department sought additional guidance from CMS and updated procedures to correctly reflect the Date of Service and Date of Payment for DSH payments. Any unresolved issues will be addressed during SFY 2015.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p> <p><u>Deficiencies with the Rate Change Process</u></p> <p>DMA Program Reimbursement Section will work closely with the Fiscal Agent on documenting and reviewing rate modifications in NCTracks timely. Payment memos will be submitted to the Fiscal Agent to recoup identified overpayments/underpayments, which is standard practice.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-078	Health and Human Services Steve Tedder (919) 855-4228	<p><u>Deficiencies in NCTracks Program Change Controls</u></p> <p>DMA has implemented, in conjunction with the DHHS CIO organization and the Fiscal Agent, formal review and approval processes. DMA will review these processes and make any necessary modifications. Modifications will be communicated to the appropriate stakeholders. In addition, system changes will be reviewed periodically to ensure their accordance with established processes.</p> <p><i>Anticipated Completion Date:</i> May 1, 2015</p>
2014-079	Health and Human Services Shelia Platts (919) 855-4023	<p><u>Deficiencies in County Eligibility Determination Processes</u></p> <p>The Department will provide guidance and instructions to counties on using the Medicaid Eligibility Manual and the Integrated Eligibility Manual to determine adequate supporting documentation required to be maintained for eligibility determination. The Medicaid Eligibility Unit will conduct reviews of applications and the DMA Program Integrity Eligibility Quality Assurance unit will conduct targeted record reviews as needed. The Department will conduct trainings to counties. The DHHS Operational Support Team will subsequently perform onsite county reviews and visits to follow up on the effectiveness of training previously provided and additional guidance will be issued as necessary.</p> <p>Policy and Guidance will be issued through Administrative Letters and Manual Change Notices by June 30, 2015.</p>

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Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-080	Health and Human Services Shelia Platts (919) 855-4023	<p>The Department will review questioned costs identified and make the appropriate recoupments.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-081	Health and Human Services Elizabeth Bishop (919) 855-3566 Jeff Horton (919) 814-0123 Shelia Platts (919) 855-4023 Kent Woodson (919) 733-7013 Kristi Hickman (919) 733-7013	<p><u>Management Did Not Take Full Corrective Action on Prior Recommendations</u></p> <p>See 2014-044 for Corrective Action Plan.</p>
2014-082	Health and Human Services Jeff Horton (919) 814-0123	<p><u>Deficiencies with Program Integrity Functions</u></p> <p>The old and outdated case tracking system, which was created in Microsoft Access, is currently being replaced. A new post-payment contract was signed with Public Consulting Group (PCG) in November 2013. As a part of implementing the contract, Program Integrity has worked with PCG to use their case tracking system to track Program Integrity cases, including</p>

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For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-083	Health and Human Services John Peebles (919) 715-6737	<p>disposition of cases, investigation, hearings and appeals, etc. Program Integrity began utilizing the system in May 2014. Most modifications to allow Program Integrity to use the system are complete. The system will be fully functional to meet Program Integrity case tracking needs by June 30, 2015. Policies and procedures will be in place to make certain case tracking data is accurate and reliable. In addition, Program Integrity made updates to its policies and procedures to adequately monitor contractor performance in Fall 2014.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p> <p><u>Deficiencies in Subrecipient Monitoring Procedures</u></p> <p>Recoupment of the questioned costs has been initiated by the Program in coordination with the Division of Public Health Budget Office.</p> <p>In addition, the relevant monitoring manuals will be revised to include prescribed procedures that specifically identify recoupment of funds paid to ineligible participants.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-084	Health and Human Services Scarlette Edwards (919) 855-3718	<p><u>Improper Reclassification of Refunds</u></p> <p>Guidance will be requested from the federal funding agencies on returning and reporting refunds. Until then, the Department will apply refunds to the time period of the original payment.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-085	Health and Human Services Thelma Hayter (919) 733-4460	<p><u>Errors in Substance Abuse Provider Billing and Payment Process</u></p> <p>Regarding the improper rate application, these claims were paid in accordance with NCTracks rules. It appears that the claims payment system did not function as designed. The Department is investigating the issue and will direct the NCTracks vendor to correct any identified problems.</p> <p>The Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DDHDDSAS) will submit a request to the NCTracks vendor for an estimate to establish retroactive eligibility for third party insurance. DMHDDSAS will simultaneously pursue the option of implementing a requirement for LME-MCOs to show proof in their IT system that claims are paid in accordance with third party liability requirements.</p> <p>The Department will research and recoup all questioned costs identified.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-086	Health and Human Services Thelma Hayter (919) 733-4460	<p><u>Deficiencies in NCTracks Program Change Controls</u></p> <p>DMA has implemented, in conjunction with the DHHS CIO organization and the Fiscal Agent, formal review and approval processes. DMA will review these processes and make any necessary modifications. Any modifications will be communicated to the appropriate stakeholders. In addition, system changes will be reviewed periodically to ensure their accordance with established processes.</p> <p><i>Anticipated Completion Date: May 1, 2015</i></p>
2014-087	Health and Human Services Kristi Hickman (919) 733-7013 Spencer Clark (919) 733-4670	<p><u>Deficiencies in Level of Effort and Earmarking Processes</u></p> <p>Enhanced tools and protocols will be put into place to better assist Financial Operations and Community Policy Management staff in closely monitoring the allocation, expenditure and reporting of funds by LME-MCOs throughout the fiscal year. Efforts will also be strengthened to expedite timely analysis, communication, decision-making, and actions regarding shortfalls in expenditures, and timely recommendation for the reallocation of unused funds when necessary.</p> <p>The Department consolidated all monitoring tools into an enhanced, single financial reporting tool that is required to be submitted by all LME-MCOs on a monthly basis with accurate, complete, and timely expenditure data. This financial reporting tool will be used by the Department and by the LME-MCOs to closely plan and monitor LME-MCO performance, as evidenced in required monthly reports of expenditures, in order to ensure compliance with expenditure levels as established by the SAPTBG.</p> <p>The Department will de-allocate any unused funds, and reallocate those funds to LME-MCOs and providers who have demonstrated an enhanced capacity to fully expend these funds appropriately and timely.</p> <p><i>Anticipated Completion Date: June 30, 2015</i></p>
2014-088	Health and Human Services Elizabeth Bishop (919) 855-3566 Jeff Horton (919) 814-0123 Shelia Platts (919) 855-4023 Kent Woodson (919) 733-7013 Kristi Hickman (919) 733-7013	<p><u>Management Did Not Take Full Corrective Action on Prior Recommendations</u></p> <p>See 2014-044 for Corrective Action Plan.</p>

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-089	Health and Human Services Sandee Resnick (919) 981-2580 Kent Woodson (919) 733-7013	<p><u>Monitoring Procedures Need Improvement</u></p> <p>In addition to conditional formatting of the program review tools, a three-level review process will be implemented for the FY2014/2015 block grant monitoring to ensure that all tools have been accurately completed. Reviewers will be trained on this new process.</p> <p>For block grant monitoring, the division will retrieve paid claims from NCTracks and develop the methodology to randomly select the individual records to review.</p> <p>The new Plan of Correction Policy will be applied to the SFY 2013-2014 settlements and the review of non-profit contracts for SFY2014-2015.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-090	Health and Human Services Spencer Clark (919) 733-4670 DeDe Severino (919) 733-0696	<p><u>Deficiencies in the Independent Peer Review Process</u></p> <p>The Department will develop written monitoring procedures to formalize the independent peer review process.</p> <p>The Division will identify all providers who received Substance Abuse Prevention and Treatment Block Grant funds from NCTracks. Providers for the independent peer review will be selected based on the parameters outlined in the Independent Peer Review Processes manual (e.g., geographic representation, volume of billing, etc.). The sample will be representative of 5% of total providers that receive Substance Abuse Prevention and Treatment Block Grant funding.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>
2014-091	Public Safety Michael A. Sprayberry (919) 825-2291	<p><u>Subaward Obligations Were Not Reported Timely</u></p> <p>The Department will report Homeland Security Grant Program and Public Assistance disaster subawards of \$25,000 or more in the federal reporting system, as required under the Federal Funding Accountability and Transparency Act (FFATA). All awards that have been listed by our Grantor will be updated monthly to ensure that reports are accurately prepared and submitted timely in accordance with federal reporting requirements.</p> <p><i>Corrective action was completed on:</i> February 28, 2014</p>
2014-092	Public Safety James J. Cherokee (919) 324-6016	<p><u>Subrecipient Audit Reports Were Not Obtained and Reviewed</u></p> <p>The Department will enhance the subrecipient review process to ensure all subrecipients who receive \$500,000 or more in federal funds are identified and submit audit reports. The Department will implement supervisory review of the subrecipient audit process.</p> <p><i>Anticipated Completion Date:</i> June 30, 2015</p>

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
2014-093	Public Safety Michael A. Sprayberry (919) 825-2291	<u>Subaward Obligations Were Not Reported Timely</u> See 2014-091 for Corrective Action Plan.
2014-094	University of North Carolina Chapel Hill Robin Cyr (919) 843-7780	<p data-bbox="573 600 1463 659"><u>Lack of Salary and Wage Certifications Increases Risk of Inappropriate Charges to Federal Grants.</u></p> <p data-bbox="573 695 1463 877">In April of 2015, we will begin working with Huron Consulting Services, LLC (Huron) to initiate an upgrade to our effort reporting software effecting a transition to the most current version 5.1. Through this upgrade, we will gain critical enhancements necessary for improving timeliness of our reporting as well as making the process much more efficient and user friendly for our Principal Investigators (PIs) and research community.</p> <p data-bbox="573 913 1463 1335">Through the course of this upgrade, Huron will provide support to update our related training materials to reflect the use of the new functionality gained. Once the training materials have been modified and updated, we will implement a communication and training plan that will include mandatory training for all Primary Effort Coordinators as well as anyone assigned as a backup Primary Effort Coordinator. In addition, we will be posting an on-line training module and prior to a new hire being assigned the role of Primary Effort Coordinator, they will be required to complete the on-line training. We will also offer training to all Principal Investigators and other certifiers emphasizing the importance of reviewing and certifying their effort reports as well as the procedure for completion in the upgraded system. In keeping with the trainings for the Primary Effort Coordinators, we also create and post an on-line training module that is specific to the role of the Principal Investigators and others required to certify their effort.</p> <p data-bbox="573 1371 1463 1644">Lastly, we will also be updating our Effort Reporting Policy and Procedures to reflect the changes brought about by the system upgrade as well as the implementation of the Uniform Guidance. The revised policy and procedures will include clear guidance on a reminder and escalation procedure that will be initiated, as necessary, following the certification due date for those reports that have not been certified. The escalation procedure will involve communication from the Associate Vice Chancellor for Research/Director, Sponsored Research to the Deans of Schools, as warranted, to ensure that certifications are completed.</p> <p data-bbox="573 1680 1463 1854">In instances where a report remains uncertified after the reminder / escalation procedure, the resulting action will be for the Office of Sponsored Research (OSR) to place the respective sponsored projects on hold and transfer all salary and associated fringe benefit charges from the sponsored projects (included on the remaining unprocessed effort reports) to the department's non-sponsored account. The revision will additionally</p>

CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2014

Finding Number	Department/ Contact Person/ Phone Number	Corrective Action Planned
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advise that if the costs are moved they may not be transferred back to the sponsored projects at a later date without the approval of the Associate Vice Chancellor for Research/Director, OSR.

Anticipated Completion Date: October 1, 2015

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