

**FINANCIAL STATEMENT AUDIT REPORT OF**  
**ANSON COUNTY PARTNERSHIP FOR CHILDREN**  
**WADESBORO, NORTH CAROLINA**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**PERFORMED UNDER CONTRACT WITH THE**  
**OFFICE OF THE STATE AUDITOR**

**LESLIE W. MERRITT, JR., CPA, CFP**  
**STATE AUDITOR**

**FINANCIAL STATEMENT AUDIT REPORT OF**

**ANSON COUNTY PARTNERSHIP FOR CHILDREN**

**WADESBORO, NORTH CAROLINA**

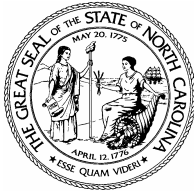
**FOR THE YEAR ENDED JUNE 30, 2007**

**BOARD OF DIRECTORS**

**ELLEN HUNTLEY, BOARD CHAIR**

**ADMINISTRATIVE OFFICER**

**ELAINE B. SCARBOROUGH, EXECUTIVE DIRECTOR**



STATE OF NORTH CAROLINA  
Office of the State Auditor

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**AUDITOR'S TRANSMITTAL**

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The Honorable Michael F. Easley, Governor  
The General Assembly of North Carolina  
Board of Directors, Anson County Partnership for Children

This report presents the results of the financial statement audit of Anson County Partnership for Children for the year ended June 30, 2007. Tichenor & Associates, LLP performed the audit under contract with the Office of the State Auditor, and their report is submitted herewith.

The audit of the Anson County Partnership for Children was made in conjunction with the Early Childhood Initiatives (Smart Start) program authorized by G.S. 143B-168.10-16. This statute created The North Carolina Partnership for Children, Inc. and required the implementation of local partnerships. The Anson County Partnership for Children is one of these local partnerships. As such, the Anson County Partnership for Children is a private nonprofit 501(c)(3) organization and is required by G.S. 143B-168.14(b) to have a financial and compliance audit conducted by the State Auditor. The State Auditor's authority to perform or coordinate all audit functions for state government is set forth in Article 5 of Chapter 147 of the *North Carolina General Statutes*.

*North Carolina General Statutes* require the State Auditor to make audit reports available to the public. Copies of all audit reports issued by the Office of the State Auditor may be obtained through one of the options listed on the back of this report.

*Leslie W. Merritt, Jr.*

Leslie W. Merritt, Jr., CPA, CFP  
State Auditor

# TABLE OF CONTENTS

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	PAGE
INDEPENDENT AUDITOR’S REPORT .....	1
FINANCIAL STATEMENTS	
EXHIBITS	
A    Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis .....	3
B    Statement of Functional Expenditures – Modified Cash Basis.....	4
Notes to the Financial Statements.....	5
SUPPLEMENTARY SCHEDULES	
1    Schedule of Contract and Grant Expenditures – Modified Cash Basis .....	13
2    Schedule of State Level Service Provider Contracts.....	14
3    Schedule of Federal and State Awards – Modified Cash Basis .....	15
4    Schedule of Property and Equipment – Modified Cash Basis .....	16
5    Schedule of Qualifying Match (Non-GAAP).....	17
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	19
ORDERING INFORMATION .....	21

# TICHENOR & ASSOCIATES, LLP

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
Anson County Partnership for Children  
Wadesboro, North Carolina

We have audited the accompanying Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis of the Anson County Partnership for Children (Anson Partnership) as of June 30, 2007, and the related Statement of Functional Expenditures – Modified Cash Basis for the year then ended. These financial statements are the responsibility of the Anson Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the accompanying financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Anson County Partnership for Children as of June 30, 2007, and its receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2007, on our consideration of the Anson Partnership's internal control over financial reporting and 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

## INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

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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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Anson County Partnership for Children's basic financial statements. The information in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Schedules 1, 3, 4 and 5 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in Schedule 2 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on Schedule 2.

*Tichenor & Associates, LLP*

Tichenor & Associates, LLP

November 15, 2007

**Anson County Partnership for Children**  
**Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis**  
**For the Year Ended June 30, 2007**

**Exhibit A**

	Unrestricted Funds		Temporarily Restricted Funds	Total Funds
	Smart Start Fund	Other Funds		
<b>Receipts:</b>				
State Awards	\$ 598,436	\$ 598,688	\$ 0	\$ 1,197,124
Federal Awards		114,346		114,346
Local Awards		2,500		2,500
Private Contributions		50,453	1,934	52,387
Special Fund Raising Events		12,118		12,118
Interest Earnings		9,749		9,749
Sales Tax Refunds		3,609		3,609
Other Receipts		67,121		67,121
<b>Total Receipts</b>	<b>598,436</b>	<b>858,584</b>	<b>1,934</b>	<b>1,458,954</b>
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions		8,941	(8,941)	
Expiration of Time Restrictions		25,000	(25,000)	
Total Net Assets Released from Restrictions		33,941	(33,941)	
	598,436	892,525	(32,007)	1,458,954
<b>Expenditures:</b>				
Programs:				
Adolescent Parenting Program		51,266		51,266
Child Care and Education Affordability		180		180
Child Care and Education Quality	225,244	14,251		239,495
Family Support	96,400	21,265		117,665
Health and Safety		92,391		92,391
More at Four	55,000	457,119		512,119
Support Our Students		72,330		72,330
Teen Pregnancy Prevention Initiative		78,093		78,093
Support:				
Management and General	124,000	88,121		212,121
Program Coordination	70,332	318		70,650
Program Evaluation	27,460			27,460
Other:				
Sales Tax Paid		5,440		5,440
Refund of Prior Year Grant		25,000		25,000
<b>Total Expenditures</b>	<b>598,436</b>	<b>905,774</b>		<b>1,504,210</b>
<b>Excess of Receipts Over Expenditures</b>		(13,249)	(32,007)	(45,256)
<b>Net Assets at Beginning of Year</b>		163,951	113,941	277,892
<b>Net Assets at End of Year</b>	<b>\$ 0</b>	<b>\$ 150,702</b>	<b>\$ 81,934</b>	<b>\$ 232,636</b>
<b>Net Assets Consisted of:</b>				
Cash and Cash Equivalents	\$ 0	\$ 150,702	\$ 81,934	\$ 232,636

The accompanying notes to the financial statements are an integral part of this statement.

**Anson County Partnership for Children**  
**Statement of Functional Expenditures - Modified Cash Basis**  
**For the Year Ended June 30, 2007**

**Exhibit B**

	Total	Personnel	Contracted Services	Supplies and Materials	Other Operating Expenditures	Fixed Charges and Other Expenditures	Property and Equipment Outlay	Services/Contracts/Grants	Participant Training Expenditures
<b>Smart Start Fund:</b>									
<b>Programs:</b>									
Child Care and Education Quality	\$ 225,244	\$ 150,261	\$ 0	\$ 8,438	\$ 24,660	\$ 9,983	\$ 8,234	\$ 10,485	\$ 13,183
Family Support	96,400	62,295		18,492	8,132	184	1,511	4,629	1,157
More at Four	55,000							55,000	
	<u>376,644</u>	<u>212,556</u>		<u>26,930</u>	<u>32,792</u>	<u>10,167</u>	<u>9,745</u>	<u>70,114</u>	<u>14,340</u>
<b>Support:</b>									
Management and General	124,000	124,000							
Program Coordination	70,332	65,415		176	3,950	612	179		
Program Evaluation	27,460	11,772	12,069	267	1,515	59	1,778		
	<u>221,792</u>	<u>201,187</u>	<u>12,069</u>	<u>443</u>	<u>5,465</u>	<u>671</u>	<u>1,957</u>		
<b>Total Smart Start Fund Expenditures</b>	<u>\$ 598,436</u>	<u>\$ 413,743</u>	<u>\$ 12,069</u>	<u>\$ 27,373</u>	<u>\$ 38,257</u>	<u>\$ 10,838</u>	<u>\$ 11,702</u>	<u>\$ 70,114</u>	<u>\$ 14,340</u>
<b>Other Funds:</b>									
<b>Programs:</b>									
Adolescent Parenting Program	\$ 51,266	\$ 45,491	\$ 0	\$ 138	\$ 5,508	\$ 129	\$ 0	\$ 0	\$ 0
Child Care and Education Affordability	180							180	
Child Care and Education Quality	14,251	10,393		2,318		175	482		883
Family Support	21,265			528	9,298	300	616	3,062	7,461
Health and Safety	92,391	59,678	400	1,184	5,761	2,113	539		22,716
More at Four	457,119	19,487	3,500	1,775	8,854	38,103		385,400	
Support Our Students	72,330					5,786		66,544	
Teen Pregnancy Prevention Initiative	78,093	54,683	2,014	3,762	8,220	7,356	2,058		
	<u>786,895</u>	<u>189,732</u>	<u>5,914</u>	<u>9,705</u>	<u>37,641</u>	<u>53,962</u>	<u>3,695</u>	<u>455,186</u>	<u>31,060</u>
<b>Support:</b>									
Management and General	88,121	69,229	50	177	3,694	13,304	1,667		
Program Coordination	318						318		
	<u>88,439</u>	<u>69,229</u>	<u>50</u>	<u>177</u>	<u>3,694</u>	<u>13,304</u>	<u>1,985</u>		
<b>Other:</b>									
Sales Tax Paid	5,440			5,440					
Refund of Prior Year Grant	25,000					25,000			
	<u>30,440</u>			<u>5,440</u>		<u>25,000</u>			
<b>Total Other Funds Expenditures</b>	<u>\$ 905,774</u>	<u>\$ 258,961</u>	<u>\$ 5,964</u>	<u>\$ 15,322</u>	<u>\$ 41,335</u>	<u>\$ 92,266</u>	<u>\$ 5,680</u>	<u>\$ 455,186</u>	<u>\$ 31,060</u>

The accompanying notes to the financial statements are an integral part of this statement.



**ANSON COUNTY PARTNERSHIP FOR CHILDREN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Purpose** - The Anson County Partnership for Children (Anson Partnership) is a legally separate nonprofit organization incorporated on June 21, 1995. The Anson Partnership was established to develop and provide, through public and private means, early childhood education and developmental services for children and families. The Anson Partnership is tax-exempt as an organization described in Section 501(c)(3) of the Internal Revenue Code.

**B. Basis of Presentation** - The accompanying financial statements present all funds for which the Anson Partnership's Board of Directors is responsible. Pursuant to the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*, the accompanying financial statements present information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this Statement, temporarily restricted contributions received and expended in the same year are reported as unrestricted receipts rather than as temporarily restricted receipts.

Contributions that are temporarily restricted and not expended within the year received are reported as an increase in temporarily restricted net assets. When the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Receipts, Expenditures, and Net Assets as net assets released from restrictions.

The Anson Partnership did not have any permanently restricted net assets at June 30, 2007.

**C. Basis of Accounting** - The accompanying financial statements were prepared on the modified cash basis of accounting. This basis differs from accounting principles generally accepted in the United States of America primarily because it recognizes long lived assets and other costs which benefit more than one period as expended in the year purchased; it recognizes revenue when received rather than when earned; and it recognizes expenditures when paid rather than when incurred.

However, unexpended advances to contractors that revert back to the State of North Carolina are recognized as a reduction to expenditures and an increase to net assets. Amounts withheld from employee paychecks or

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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other amounts received in an agency capacity are recorded as funds held for others. In addition, Smart Start funds advanced to the local Partnership that are unexpended and unearned at year-end are recorded as a Due to the State.

- D. Cash and Cash Equivalents** - This classification appears on the Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis and includes all demand and savings accounts and certificate of deposits or short-term investments with an original maturity of three months or less.
- E. Property and Equipment** - Under the modified cash basis of accounting, purchases of property and equipment are reported as expenditures in the year occurred. However, Anson Partnership is required by contract regulation to track and maintain property and equipment items as presented in Schedule 4 of this report. The Anson Partnership has a policy to track purchases of property and equipment items with an individual cost of \$500 or more and an estimated useful life greater than one year. Such items are valued at their original purchase price, which may be different from their valuation as of June 30, 2007. Donated items are recorded at estimated fair market value at the date of donation.
- F. Compensated Absences** - As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the financial statements. Expenditures related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid leave that would be due to employees upon termination is reported as a commitment in Note 9.
- G. Use of Estimates** - The preparation of financial statements in conformity with the modified cash basis of accounting used by the Anson Partnership requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as allocation of joint costs); accordingly, actual results could differ from those estimates. It is management's belief that these estimates are reasonable and fair.

### NOTE 2 - DEPOSITS

All funds of the Anson Partnership are deposited with a commercial bank and insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Deposits over this amount subjects the Anson Partnership to a concentration of credit risk. At June 30, 2007, the Anson Partnership's bank deposits in excess of the FDIC insured limit was \$292,963.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### NOTE 3 - FUNDING FROM GRANT AWARDS

**Smart Start Program** - The Anson Partnership's major source of revenue and support is from the State of North Carolina based on cost-reimbursement contracts with The North Carolina Partnership for Children, Inc. (NCPC) for the Smart Start Program. A significant reduction in the level of funding from the State could have an adverse effect on the operations of the Anson Partnership and represents a concentration of credit risk as to the generation of revenue.

Associated with these contracts, the Anson Partnership is responsible for developing a comprehensive, collaborative, long-range plan of services to children and families for the service-delivery area. During the year, the North Carolina Department of Health and Human Services (DHHS) entered into contracts with and made payments to service providers selected by the Anson Partnership. These service provider contracts are not reflected on the accompanying financial statements. However, a summary of the service provider contracts entered into by DHHS is presented on Schedule 2 accompanying the financial statements.

The Anson Partnership was awarded and has received \$598,436 under a current year Smart Start contract with NCPC.

The Anson Partnership expects to receive continued funding through new Smart Start contracts with the State.

**Adolescent Parenting Program (APP)** - The Anson Partnership also received revenue and support from the State of North Carolina based on a cost-reimbursement contract with DHHS for the Adolescent Parenting Program. The Anson Partnership was awarded and received \$47,980 under a current year APP contract with DHHS. The Anson Partnership expects to receive continued funding through new APP contracts with the State.

**More at Four** - The Anson Partnership also received revenue and support from the State of North Carolina for the More at Four Program. The Anson Partnership was awarded \$508,448 and received \$495,368 under a current year contract. The Anson Partnership expects to receive continued funding through new More at Four contracts with the State.

**Support Our Students Program (SOS)** - The Anson Partnership also received revenue and support from the State of North Carolina based on a cost-reimbursement contract with North Carolina Department of Juvenile Justice and Delinquency Prevention (DJJDP) for the Support Our Students Program. The Anson Partnership was awarded and received \$72,330 under a current year SOS contract with DJJDP. The Anson Partnership expects to receive continued funding through new SOS Program contracts with the State.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**Teen Pregnancy Prevention Initiative (TPPI)** - The Anson Partnership also received revenue and support from the State of North Carolina based on a cost-reimbursement contract with DHHS for the Teen Pregnancy Prevention Initiative program. The Anson Partnership was awarded and received \$75,000 under a current year contract with DHHS. The Anson Partnership expects to receive continued funding through new contracts with the State.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

**A. Service Provider Contracts with Board Member Organizations** - The board members of the Anson Partnership are representative of various organizations that benefit from actions taken by the Board. It is the policy of the Anson Partnership that board members not be involved with decisions regarding organizations they represent. During the year, the Anson Partnership entered into contracts with board member organizations for program activities as identified on Schedule 1 accompanying the financial statements. In addition, Schedule 2 identifies contracts entered into by DHHS with board member organizations for activities funded by the Anson Partnership's Smart Start Allocation.

**B. Other Related Parties** - The Anson Partnership entered into transactions for contracted services with a private business associated with a relative of an employee of the Anson Partnership. The amounts paid included:

<u>Expenditures</u>	<u>Amount</u>
Kiker, Strickland & Associates (Evaluation Contract)	\$ <u>12,069</u>

**NOTE 5 - FUNCTIONAL EXPENDITURES**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis. Also, the Statement of Functional Expenditures – Modified Cash Basis, provides detail of the functional costs by their natural classification. Following are the services associated with the functional categories presented in the accompanying financial statements and the methods utilized to allocate joint cost:

**A. Program Functions**

**Adolescent Parenting Program** - Used to account for service activities including teen parent/child program.

**Child Care and Education Affordability** - Used to account for service activities including child care subsidy administration outside of DCD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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**Child Care and Education Quality** - Used to account for service activities including child care resource and referral, and learning materials and teaching aids.

**Family Support** - Used to account for service activities including teen parent/child programs, general family support, literacy projects, and community outreach information and resources.

**Health and Safety** - Used to account for service activities including comprehensive health support and nutrition programs.

**More at Four** - Used to account for development and implementation of More at Four prekindergarten program for at-risk four-year-olds who are at risk of failure in kindergarten. The goal is to provide quality prekindergarten services in order to enhance kindergarten readiness.

**Support Our Students** - Used to account for service activities including the providing of high quality after-school activities for school-aged children.

**Teen Pregnancy Prevention Initiative** - Used to account for service activities including community outreach information and resources.

### B. Support Functions

**Management and General** - Expenditures that are not identifiable with a single program or fund-raising activity but are indispensable to the conduct of those activities and to an organization's existence, including expenditures for the overall direction of the organization, its general board activities, business management, general recordkeeping, budgeting, and related purposes.

**Program Coordination** - Expenditures that are incurred to coordinate the policies, procedures, and daily practices of service delivery. Also, costs associated with monitoring in-house and direct service provider activities.

**Program Evaluation** - Expenditures that are incurred to monitor the effectiveness and feasibility of Partnership activities and contract agencies to determine if the short-term and long-term goals are being achieved.

### C. Allocation of Joint Costs

Expenditures benefiting more than one purpose were allocated as follows:

**Salaries and Benefits** - Direct allocation based on employee time reports.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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**Other Costs** - Other costs including occupancy cost (rent, utilities and maintenance), supplies and materials, and communication costs (telephone and printing) were allocated based on utilization data.

### NOTE 6 - OPERATING LEASE OBLIGATIONS

Future minimum lease payments under noncancelable operating leases consist of the following at June 30, 2007:

<u>Fiscal Year</u>	<u>Operating Leases</u>
2008	\$ 12,144
2009	<u>1,008</u>
Total Minimum Lease Payments	<u>\$ 13,152</u>

Rental expense for all operating leases during the year was \$23,405.

### NOTE 7 - PENSION PLAN

**IRC Section 403(b) Plan** - All permanent employees who are at least half time can participate in a tax sheltered annuity plan (Plan) created under Internal Revenue Code Section 403(b). The Plan is a defined contribution plan in which each employee of the Anson Partnership, as a condition of employment, is provided an individual annuity through an outside insurance company. The Anson Partnership contributes 8% of gross wages up to the employee's first anniversary, at which time the Partnership's contribution is increased to 10% of gross wages. The employee's eligible contributions, made through salary reduction agreements, are exempt from federal and State income taxes until the annuity is received or the contributions are withdrawn. These Plans are exclusively for employees of universities and certain charitable and other nonprofit organizations. All costs of administering and funding these Plans are the responsibility of the Plan participants. The Anson Partnership contributed \$44,177 for retirement benefits during the year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### NOTE 8 - RISK MANAGEMENT

The Anson Partnership is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Anson Partnership manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Torts, errors and omissions, health and life	Purchased commercial insurance	None
Workers Compensation - Employee injuries	Purchased commercial insurance	None
Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant losses to the Anson Partnership. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

### NOTE 9 - COMMITMENTS AND CONTINGENCIES

**Compensated Absences** - As a result of the Anson Partnership's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (vacation only; sick leave does not vest) and any employer-related costs earned and unpaid, are not reflected in the financial statements. The compensated absences commitment for vacation leave at June 30, 2007, is \$39,716. No funds or reservation of net assets has been made for this commitment.

### NOTE 10 - RESTRICTIONS ON NET ASSETS

**A. Temporarily Restricted Net Assets** - Temporarily restricted net assets at June 30, 2007, are available for the following purposes:

<u>Purpose</u>	<u>Amount</u>
Anson Children's Center Expansion Project	\$ 80,000
Motheread	1,934
	<u>\$ 81,934</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)**

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**B. Net Assets Released From Donor Restrictions** - Net assets were released from donor restrictions during the fiscal year ended June 30, 2007, by incurring expenditures satisfying the restricted purposes as follows:

<u>Purpose</u>	<u>Amount</u>
Motheread	<u>\$ 8,941</u>

**C. Expiration of Time Restrictions** - A contribution received in the prior year was returned to the contributor during the fiscal year ended June 30, 2007:

<u>Purpose</u>	<u>Amount</u>
Refund of Prior Year Grant	<u>\$ 25,000</u>



**Anson County Partnership for Children**  
**Schedule of Contract and Grant Expenditures - Modified Cash Basis**  
**For the Year Ended June 30, 2007**

**Schedule 1**

Organization Name	Smart Start Fund		Other Funds	
	Amount Advanced	Refund Due	Amount Advanced	Refund Due
<b>Paid to Organizations:</b>				
Anson Children's Center	* \$ 3,692	\$ 0	\$ 3,680	\$ 0
Anson County Schools	*		66,544	
Dollywood Foundation		10,485		
RHA (Formerly Anson Children's Center)	* 568		44,084	
Union County Community Action, Inc.	* 50,740		337,816	
	<u>65,485</u>		<u>452,124</u>	
<b>Paid to Individuals:</b>				
Car Seat Distribution Program	4,629		398	
Books for Kids Program			2,664	
	<u>4,629</u>		<u>3,062</u>	
	<u>\$ 70,114</u>	<u>\$ 0</u>	<u>\$ 455,186</u>	<u>\$ 0</u>

\* These organizations are represented on the Partnership's Board as described in Note 4A - Service Provider Contracts with Board Member Organizations.

**Anson County Partnership for Children  
 Schedule of State Level Service Provider Contracts  
 For the Year Ended June 30, 2007**

**Schedule 2**

<b>Organization Name</b>	<b>DHHS Contracts</b>
Anson County Department of Social Services *	<u>\$ 209,114</u>

\* These organizations are represented on the Partnership's Board as described in Note 4A - Service Provider Contracts with Board Member Organizations.

The information on this schedule provides a listing of service provider contracts entered into by the North Carolina Department of Health and Human Services (DHHS) as described in Note 3 - Funding from Grant Awards.

**Anson County Partnership for Children  
Schedule of Federal and State Awards - Modified Cash Basis  
For the Year Ended June 30, 2007**

**Schedule 3**

Federal/State Grantor/Pass-through Grantor/Program	Federal CFDA Number	Contract #	Receipts	Expenditures
<b>Federal Awards:</b>				
US Department of Health and Human Services				
Administration for Children and Families				
Pass-through from the North Carolina Department of Health and Human Services - Division of Public Health				
Temporary Assistance for Needy Families				
Teen Pregnancy Prevention Initiative (Prior Year)	93.558	00325-06	\$ 0	\$ 3,898
Teen Pregnancy Prevention Initiative	93.558 *	00325-07	75,000	74,196
US Department of Health and Human Services				
Pass-through from the North Carolina Department of Health and Human Services - Division of Child Development				
Pass-through from Child Care Connections, Inc. of Moore County				
DCD Region 6 Block Grant	93.575	0306-304	10,356	10,356
US Department of Health and Human Services				
Medical Assistance Program				
Pass-through from the North Carolina Department of Health and Human Services-Division of Public Health				
Adolescent Parenting Program (Prior Year)	93.778	00326-06		1,405
Adolescent Parenting Program	93.778	00326-07	28,990	29,560
<b>Total Federal Awards</b>			<u>114,346</u>	<u>119,415</u>
<b>State Awards:</b>				
North Carolina Department of Health and Human Services				
Division of Child Development				
Pass-through from the North Carolina Partnership for Children, Inc.				
Early Childhood Initiatives Program		* N/A	598,436	598,436
Multi-County Accounting and Contracting Grant		N/A	12,000	12,000
North Carolina Department of Health and Human Services				
Division of Public Health				
Adolescent Parenting Program (Prior Year)		00326-06		921
Adolescent Parenting Program		00326-07	18,990	19,380
North Carolina Department of Juvenile Justice and Delinquency Prevention				
Support Our Students		N/A	72,330	72,330
North Carolina Department of Public Instruction				
Office of School Readiness				
More at Four Pre-Kindergarten Program		* 0004-07	495,368	457,119
<b>Total State Awards</b>			<u>1,197,124</u>	<u>1,160,186</u>
<b>Total Federal and State Awards</b>			<u>\$ 1,311,470</u>	<u>\$ 1,279,601</u>

\* Programs with compliance requirements that have a direct and material effect on the financial statements.

**Anson County Partnership for Children**  
**Schedule of Property and Equipment - Modified Cash Basis**  
**For the Year Ended June 30, 2007**

**Schedule 4**

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Furniture and Noncomputer Equipment	\$ 43,791
Computer Equipment/Printers	48,822
Leasehold Improvements	<u>8,241</u>
Total Property and Equipment	<u><u>\$ 100,854</u></u>

Note: The information on this schedule provides a summary of property and equipment with acquisition or donated cost of \$500 or more which were held by the Partnership at year end. The valuations represent historical cost. On the modified basis of accounting, these items are expensed in the year of purchase.

**Anson County Partnership for Children  
Schedule of Qualifying Match (Non-GAAP)  
For the Year Ended June 30, 2007**

**Schedule 5**

***Match Provided at the Partnership Level:***

Cash	\$	55,467
In-Kind Goods and Services		<u>8,942</u>
	\$	<u><u>64,409</u></u>

***Match Provided at the Contractor Level:***

Cash	\$	<u><u>22,465</u></u>
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Note: This schedule is presented in accordance with the program match requirement as provided for by North Carolina Session Law 2005-276, Section 10.64(c). The North Carolina Partnership for Children, Inc. and all local partnerships are required to match the total amount budgeted for the Smart Start Program in each fiscal year. The match is comprised of both cash and in-kind amounts. Only in-kind contributions that are verifiable, quantifiable, and related to the Smart Start Program can be applied to the in-kind match requirement, including volunteer services. The law allows for volunteer services to be valued for match purposes, a concept that deviates from generally accepted accounting principles. This schedule identifies those amounts allowable for this partnership in meeting the statewide match requirement.

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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  
THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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Board of Directors  
Anson County Partnership for Children  
Wadesboro, North Carolina

We have audited the financial statements of the Anson County Partnership for Children (Anson Partnership) as of and for the year ended June 30, 2007, and have issued our report thereon dated November 15, 2007. 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.

As described in Note 1, the accompanying financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Anson Partnership's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Anson Partnership's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Anson Partnership's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Anson Partnership's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Anson Partnership's financial statements that is more than inconsequential will not be prevented or detected by the Anson Partnership's internal control.

**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (CONCLUDED)**

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Anson Partnership's financial statements are free of 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*.

This report is intended solely for the information and use of the Anson Partnership's Board of Directors, management of the Anson Partnership, The North Carolina Partnership for Children, Inc., the Governor, and the General Assembly of North Carolina and is not intended to be and should not be used by anyone other than these specified parties.

*Tichenor & Associates, LLP*

Tichenor & Associates, LLP

November 15, 2007



## ORDERING INFORMATION

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Audit reports issued by the Office of the State Auditor can be obtained from the web site at [www.ncauditor.net](http://www.ncauditor.net). Also, parties may register on the web site to receive automatic email notification whenever reports of interest are issued. Otherwise, copies of audit reports may be obtained by contacting the:

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State of North Carolina  
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Raleigh, North Carolina 27699-0601

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