

**MACON COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE YEAR ENDED JUNE 30, 2023**

# MACON COUNTY, NORTH CAROLINA

## COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2023

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

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

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

To the Board of Commissioners  
Macon County  
Franklin, North Carolina

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2023, not presented here, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements, and have issued our report thereon dated November 22, 2023. The financial statements of the Macon County Airport Authority were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the Macon County Airport Authority.

### **Report On Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Macon County's internal control over financial reporting (internal control) as a basis for designing 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 Macon County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County'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 over financial reporting 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 a material weakness 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Macon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 22, 2023

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

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

## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Commissioners  
Macon County  
Franklin, North Carolina

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina* issued by the Local Government Commission that could have a direct and material effect on each of Macon County's major federal programs for the year ended June 30, 2023. Macon County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Macon County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Macon County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Macon County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Macon County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Macon County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Macon County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Macon County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Macon County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Macon County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed instances of non-compliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2023-001, 2023-002, and 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's responses to the non-compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance 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, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2023-001, 2023-002, and 2023-003 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the State Single Audit Implementation Act**

We have audited the financial statements of governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Macon County's basic financials statements. We issued our report thereon dated November 22, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 22, 2023



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

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

## **Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Commissioners  
Macon County  
Franklin, North Carolina

#### **Report on Compliance for Each Major State Program**

##### ***Opinion on Each Major State Program***

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina* issued by the Local Government Commission that could have a direct and material effect on each of Macon County's major state programs for the year ended June 30, 2023. Macon County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Macon County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Macon County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Macon County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Macon County's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Macon County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Macon County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Macon County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Macon County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Macon County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed instances of non-compliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2023-001, 2023-002, and 2023-003. Our opinion on each major state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's responses to the non-compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance 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, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2023-001, 2023-002, and 2023-003 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements. We issued our report thereon dated November 22, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 22, 2023

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Section I. Summary of Auditor's Results**

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***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Non-compliance material to financial statements noted? No

***Federal Awards***

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? Yes

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
Medicaid Cluster	93.778
Formula Grants for Rural Areas and Tribal Transit Program	20.509
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Section I. Summary of Auditor's Results (continued)**

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*State Awards*

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? Yes

Type of auditor's report issued on compliance for major state programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes

Auditee qualified as low-risk auditee? Yes

Identification of major state programs:

**Program Name**

Medicaid Cluster

State Aid to Airports Program

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Section II. Financial Statement Findings**

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None reported.

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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

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**U.S. Department of Health and Human Services**  
**Passed through the N.C. Department of Health and Human Services, Division of Social Services**

Program Name:  
DSS Crosscutting (State)  
Medicaid Cluster AL#93.778 (XIX-MAP23)

**Significant Deficiency, Non-Material Non-Compliance**  
**Special Tests and Provisions (Enterprise Program Integrity)**

**Finding 2023-001**

**Criteria:** Per the North Carolina DSS Crosscutting Requirements compliance supplement, Counties must acquire adequate case documentation to substantiate the claim entry into the NC Fast Enterprise Program Integrity (“EPI”) system. This information includes, but is not limited to, the dates of the overpayment period, documentary evidence to substantiate that an overpayment occurred, such as wage stubs or verification from an employer, other income verification and household composition verification, and the budgets used to compute the amount of the overpayment.

**Condition:** We noted one instance of a Food and Nutrition Services claim entered in EPI where adequate case documentation to substantiate the claim entry was not maintained. The budget calculated during the initial investigation in the claims file does not agree to the amount entered in EPI to be collected on by the County.

**Context:** We sampled 4 claims that were current in the EPI system and noted the above condition in 1 (25%) of the claims tested. To date, the County has reviewed the budget and corrected the amount in EPI system, as well as the casefile.

**Effect:** The County may not have accurate supporting documentation for claims entered in EPI system. There is a risk that claims may not be valid as a result.

**Cause:** Documentation to support a claim entered into EPI was not accurate.

**Questioned Costs:** None. The finding represents an internal control issue.

**Recommendation:** County DSS staff should implement controls to ensure that all documentation is maintained and agrees to what was entered into EPI.

**Views of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.



# MACON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

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### Section III. Federal Award Findings and Questioned Costs (continued)

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#### U.S. Department of Health and Human Services

Passed through the N.C. Department of Health and Human Services, Division of Social Services

Program Name:

Medicaid Cluster AL#93.778 (XIX-MAP23)

#### Finding: 2023-002

#### Significant Deficiency, Non-Material Non-Compliance Eligibility

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that casefile evidence is appropriately updated. In accordance with 45 CFR 435, documentation must be maintained to support eligibility determinations.

**Condition:** The County Department of Social Services failed to update bank account ownership information correctly for one applicant. Upon further review, the applicant was ultimately eligible.

**Context:** Of the 240,540 benefit payments valued at \$92,375,680, we examined 60 payment records (\$13,116 value) and determined that one casefile (2%) did not have properly calculated resources. Upon further review and recalculation, the applicant was deemed eligible.

**Effect:** Casefile did not have properly updated bank account ownership, which could allow benefits to be provided to individuals who are not eligible.

**Cause:** The caseworker did not correctly update the bank account ownership from 50% to 100%.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable. The County was able to substantiate that the applicant was eligible to receive benefits.

**Recommendation:** Caseworkers should review their eligibility determinations and ensure all information is entered correctly. Calculations should be reviewed for accuracy before approving benefits.

**Views of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Section III. Federal Award Findings and Questioned Costs (continued)**

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**U.S. Department of Transportation**  
**Passed through the N.C. Department of Transportation**

Program Name:  
Formula Grants for Rural Areas and Tribal Transit Program AL # 20.509

**Significant Deficiency, Non-Material Non-Compliance**  
**Program Income**

**Finding 2023-003**

**Criteria:** In accordance with 2 CFR 200, management should have a system of internal control procedures in place to reduce the likelihood of errors in reporting program income.

**Condition:** The program income report for the first quarter was submitted late.

**Effect:** Lack of proper implementation of internal controls greatly increases the risk of fraudulent activity and can result in improper financial reporting.

**Cause:** Lack of controls over reporting program income.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Management should assess the controls over program income and implement policies and procedures to address those concerns noted above.

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

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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

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**N.C. Department of Health and Human Services**  
Medicaid Cluster

**Finding: 2023-001** – In accordance North Carolina DSS Crosscutting Requirements compliance supplement, Counties must acquire adequate case documentation to substantiate the claim entry into the NC Fast Enterprise Program Integrity (“EPI”) system. See more details at Finding 2023-001 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.

**Finding: 2023-002** – In accordance with the 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure the casefiles include properly reviewed income calculations. See more details at Finding 2023-002 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.

**N.C. Department of Transportation**  
Formula Grants for Rural Areas and Tribal Transit Program

**Finding: 2023-003** – In accordance with the 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that program income is reported timely. See more details at Finding 2023-003 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.



**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION III – Federal Award Findings and Questioned Costs**

**SECTION IV – State Award Findings and Questioned Costs  
Special Tests and Provisions (Enterprise Program Integrity)**

**Finding: 2023-001**

**Name of Contact Person:** Chrissy Tompson, IMI Program Integrity

**Corrective Action:** There will be a calculator tape ran manually for each line item on the DSS-1473. This error was from a copy and paste for duplicate repeated line entries. A second party will also view each entry to ensure the line items with subtraction are correct.

**Proposed Completion Date:** Immediately



**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION III – Federal Award Findings and Questioned Costs**

**SECTION IV – State Award Findings and Questioned Costs  
Medicaid Cluster AL #93.778 (XIX-MAP23)**

**Finding: 2023-002**

**Name of Contact Person:** Sheila Conley, IMS III

**Corrective Action:** Macon County has updated all worksheets for all programs; we use these worksheets to verify information belonging to the client before keying the verified information into NC FAST system. We continue to have training on Medicaid Manual sections 2230 Financial Resources, 2260 Financial Eligibility Regulations-PLA and 2280 Community Alternatives Programs. We will also continue to second party review at least 10% of the workers cases.

**Proposed Completion Date:** Immediately



**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

**Finding: 2023-003**

**Name of Contact Person:** Darlene Asher, Transit Director

**Corrective Action:** NCDOT Connect has an IMD calendar that has all dates of when reports are due to IMD including Program Income. The Transit Director will sync the IMD calendar to her Outlook calendar where reminders will pop up.

**Proposed Completion Date:** Immediately

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Finding 2022-001:** Corrected

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Federal Awards</b>					
<b><u>U.S. Department of Agriculture</u></b>					
<b>Food and Nutrition Service:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Social Services:</b>					
Administration:					
Supplemental Nutrition Assistance Program Cluster:					
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	235NC406S2514	\$ 48,665	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	235NC406S2514	352,787	-	-
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			<u>401,452</u>	<u>-</u>	<u>-</u>
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Public Health:</b>					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	13A25403/5404/5405/5409/570C/570D/570E/570F	111,161	-	-
<b>National Institute of Food and Agriculture:</b>					
Food Insecurity Nutrition Incentive Grants Program	10.331	2019-70030-30396	193,769	-	-
<b>Total U.S. Department of Agriculture</b>			<u>706,382</u>	<u>-</u>	<u>-</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>					
<b>Assistant Secretary For Community Planning and Development</b>					
Passed through the N.C. Housing Finance Agency:					
Home Investment Partnerships Program	14.239	ESFRLP2015	106,717	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<u>106,717</u>	<u>-</u>	<u>-</u>
<b><u>U.S. Department of Transportation:</u></b>					
<b>Federal Transit Administration:</b>					
Passed through the N.C. Department of Transportation					
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.45.8.2	67,499	-	-
<b>Total Transit Services Programs Cluster</b>			<u>67,499</u>	<u>-</u>	<u>-</u>
Passed through the N.C. Department of Transportation					
Formula Grants for Rural Areas and Tribal Transit Program - ARPA	20.509	50371.22.1.2	164,350	-	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.68.24.1	166,052	10,377	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	51081.5.5.3	278,999	34,876	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	51081.5.6.3	11,058	1,382	-
Formula Grants for Rural Areas and Tribal Transit Program - CARES Act	20.509	49233.38.1.2	166,271	-	-
			<u>786,730</u>	<u>46,635</u>	<u>-</u>
<b>Federal Aviation Administration:</b>					
Passed through the N.C. Department of Transportation					
Federal Transit Cluster					
Buses and Bus Facilities Formula, Competitive, and Low or No Emission Programs	20.526	44637.65.1.3	221,729	-	-
<b>Total Federal Transit Cluster</b>			<u>221,729</u>	<u>-</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<u>1,075,958</u>	<u>46,635</u>	<u>-</u>
<b><u>U.S. Department of Homeland Security</u></b>					
Passed through the N.C. Emergency Management					
Emergency Management Performance Grants	97.042	EMA-2022-EP-00005	39,032	-	-
<b>Total U.S. Department of Homeland Security</b>			<u>39,032</u>	<u>-</u>	<u>-</u>
<b><u>U.S. Department of Health and Human Services</u></b>					
<b>Administration for Community Living:</b>					
Passed through National Council on Aging					
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	HHS-2023-ACL-AOA-HDRC-0043	6,412	-	-



## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Passed through N.C. Department of Health and Human Services:					
Southwestern Commission Council of Governments:					
Aging Cluster:					
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	21/22 AANCT3HD	58,930	92,605	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	21/22 AANCT3CM	11,417	17,942	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2101NCHDC05	7,162	-	-
Special Programs for the Aging, Title III, Part C, Nutrition Services ARPA	93.045	2101NCCMC6-00	16,736	-	-
Special Programs for the Aging, Title III, Part C, Nutrition Services ARPA	93.045	2101NCHDC6-00	3,199	-	-
Special Programs for the Aging--Title III, Part B, Grants for Supportive Services and Senior Centers ARPA	93.044	2101NCSSC6	6,330	-	-
Special Programs for the Aging--Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	20/21 AANCT3SS	13,450	21,135	-
Special Programs for the Aging--Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	21/22 AANCT3SS	19,600	30,800	-
Special Programs for the Aging--Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	21/22 AANCT3SS	22,040	34,635	-
Nutrition Services Incentive Program	93.053	21/22 AANCT3CM	3,985	-	-
Nutrition Services Incentive Program	93.053	21/22 AANCT3HD	18,834	-	-
Total Aging Cluster			181,683	197,117	-
Total Administration for Community Living			188,095	197,117	-
<b>Administration for Children and Families:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Social Services:</b>					
Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 3):					
Foster Care Title IV-E - Administration	93.658	2301NCFOST	239,274	17,502	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	2301NCFOST	171,945	44,408	-
Foster Care Title IV-E	93.658	2301NCFOST	50,205	-	-
Adoption Assistance - Administration	93.659	2301NCADPT	19,751	-	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			481,175	61,910	-
<b>Division of Social Services:</b>					
Temporary Assistance for Needy Families:					
Temporary Assistance for Needy Families - Work First - Administration					
	93.558	2301NCTANF	456,252	-	-
Temporary Assistance for Needy Families - State Program					
	93.558	13A15151T2	1,833	-	-
Total Temporary Assistance for Needy Families			458,085	-	-
NC Child Support Enforcement Section:					
Child Support Enforcement - Administration / CSE Incentive Recovery					
	93.563	2301NCCES	267,540	-	-
Child Support Enforcement - Offset Fees - ESC					
	93.563	2301NCCES	2	-	-
Child Support Enforcement - Offset Fees - Federal					
	93.563	2301NCCES	715	-	-
Total Child Support Enforcement			268,257	-	-
Low-Income Home Energy Assistance Block Grant:					
Low Income Home Energy Assistance - Administration					
	93.568	2301NCLIEA	130,003	-	-
Low Income Home Energy Assistance - Crisis Intervention Program					
	93.568	2301NCLIEA	43,085	-	-
Total Low-Income Home Energy Assistance Block Grant			173,088	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Administration					
	93.674	2301NCC1LP	4,904	1,226	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Direct Benefit Payment					
	93.674	2301NCC1LP	13,962	-	-
Special Children Adoption Fund Cluster (Note 3):					
MaryLee Allen Promoting Safe and Stable Families Program - Administration					
	93.556	2301NCFPSS	17,428	-	-
Stephanie Tubbs Jones Child Welfare Services Program					
	93.645	2301NCCWSS	42,528	-	-
Total Special Children Adoption Fund Cluster			59,956	-	-
Division of Aging and Adult Services:					
<b>Division of Social Services:</b>					
Social Services Block Grant - State In Home Service Fund					
	93.667	G2301NCSOSR	3,660	-	-
Social Services Block Grant - State Adult Day Care					
	93.667	G2301NCSOSR	2,510	5,019	-
Social Services Block Grant - Adult Protective Service					
	93.667	G2301NCSOSR	20,082	-	-
Social Services Block Grant - Adult Protective Service Essential Services					
	93.667	G2301NCSOSR	608	-	-
Social Services Block Grant - CPS TANF					
	93.667	G2301NCSOSR	71,387	-	-
Social Services Block Grant - Other Service and Training					
	93.667	G2301NCSOSR	87,679	-	-
Total Social Service Block Grant			185,926	5,019	-

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Division of Child Development:</b>					
Subsidized Child Care Program Cluster (Note 3):					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2301NCCCDF	79,294	-	79,294
Total Subsidized Child Care Program Cluster / Child Care Development Fund Cluster			79,294	-	79,294
Passed through the N.C. Department of Health and Human Services/ N.C. Department of Environmental Quality:					
Low-Income Home Energy Assistance - Weatherization					
Assistance for Low Income Persons	81.042	CW29746	118,497	-	-
Low-Income Home Energy Assistance - Weatherization					
Assistance for Low Income Persons	93.568	CW29746	88,296	-	-
COVID-19 Low-Income Home Energy Assistance - Weatherization					
Assistance for Low Income Persons	93.568	CW26096	85,698	-	-
COVID-19 Low-Income Home Energy Assistance - Heating & Air					
Repair and Replacement Program	93.568	CW26096	36,093	-	-
Low-Income Home Energy Assistance - Heating & Air					
Repair and Replacement Program	93.568	CW29746	134,743	-	-
Total Low-Income Home Energy Assistance			463,327	-	-
Total Administration for Children and Families					
			2,187,974	68,155	79,294
<b>Centers for Medicare and Medicaid Services:</b>					
Passed through the N.C. Department of Health and Human Services:					
Medicaid Cluster:					
<b>Division of Social Services:</b>					
Administration:					
Medical Assistance Program	93.778	XIX-MAP23	1,145,501	220,856	-
Total Medicaid Cluster			1,145,501	220,856	-
<b>Division of Social Services:</b>					
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	CHIP23	31,411	1,432	-
Total State Children's Insurance Program			31,411	1,432	-
Total Centers for Medicare and Medicaid Services					
			1,176,912	222,288	-
<b>Centers for Disease Control and Prevention:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Public Health:</b>					
Public Health Emergency Preparedness	93.069	12642680EQ, 12642680ER	32,125	-	-
COVID-19 – Public Health Emergency Response: Cooperative Agreement					
for Emergency Response: Public Health Crisis Response	93.354	1332535AYM,	11,656	-	-
Immunization Cooperative Agreements	93.268	1331631CEJ	14,072	-	-
COVID-19 -Immunization Cooperation Agreements	93.268	1331639BP7	69,934	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1175883AP5, 1332892AL5	207,208	-	-
National and State Tobacco Control Program	93.387	12713410QF	68,906	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT)					
Health Department Response to Public Health or Healthcare Crises	93.391	11617955LZ	13,680	-	-
Well-Integrated Screening and Evaluation for Women Across the					
Nation (Wisewomen)	93.436	13133720AL	2,770	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH	13,813	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	13114631NB	42	-	-
Cancer Prevention and Control Programs for State,					
Territorial and Tribal Organizations	93.898	13203100D7, 1320310ED7	10,015	-	-
Total Centers for Disease Control and Prevention			444,221	-	-
<b>Health Resources and Services Administration:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Public Health:</b>					
Maternal and Child Health Services Block Grant to the States	93.994	12715318AR, 12715351AR, 12715745AR, 13A15735AP, 13A15740AP	21,700	8,842	-

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Passed through the Appalachian Mountain Community Health Centers:					
<b>Division of Public Health:</b>					
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	G25RH32399	22,051	-	-
Total Health Resources and Services Administration			43,751	8,842	-
<b>Office of Assistant Secretary for Health:</b>					
Passed through N.C. Department of Health and Human Services:					
<b>Office of Population Affairs:</b>					
Family Planning Services	93.217	13A15900FP	31,093	-	-
Total Office of Assistant Secretary for Health			31,093	-	-
<b>Administration for Community Living:</b>					
Passed through N.C. Department of Insurance:					
State Health Insurance Assistance Program	93.324	SHIP 2023	7,720	-	-
Medicare Enrollment Assistance Program	93.071	MIPPA 2023	4,214	-	-
Total Administration for Community Living			11,934	-	-
<b>Total U.S. Department of Health and Human Services</b>			<b>4,083,980</b>	<b>496,402</b>	<b>79,294</b>
<b>U.S. Department of Justice</b>					
Bulletproof Vest Partnership Program	16.607		2,933	-	-
<b>Total U.S. Department of Justice</b>			<b>2,933</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Treasury</b>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		1,875,659	-	-
<b>Total U.S. Department of Treasury</b>			<b>1,875,659</b>	<b>-</b>	<b>-</b>
<b>Total Federal Assistance</b>			<b>7,890,661</b>	<b>543,037</b>	<b>79,294</b>
<b>State Awards</b>					
<b>N.C. Department of Health and Human Services</b>					
<b>Division of Social Services:</b>					
Administration:					
ST Child Welfare/ CPS/CS LD			-	26,962	-
Energy Assist Private Grants			-	1,510	-
Direct Benefit Payments:					
State Foster Home			-	115,696	-
CWS Adopt Subsidy & Vendor			-	10,688	-
SFHF Maximization			-	19,686	-
Extended FC/Max Non IV-E			-	3,227	-
F/C At Risk Maximization			-	7,068	-
Total Division of Social Services			-	184,837	-
<b>Division of Public Health:</b>					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees		11534752SZ	-	10,165	-
Aid-to-Counties		1161411000	-	82,398	-
General Communicable Disease Control		1175451000	-	10,678	-
TB Control		1460455100 / 1460455400	-	1,689	-
Minority Diabetes Prevention Program		1262417900	-	137,762	-
School Nurse Funding Initiative		1332535800	-	116,667	-
HIV/STD State		13114536RR	-	359	-
Healthy Communities		1261550300	-	22,611	-
Family Planning - State		13A1573500	-	7,506	-
High Risk Maternity Clinics		13A1574600	-	26,449	-
Women's Health Service Fund		13A16021FR	-	5,981	-
Breast and Cervical Cancer Program		1320559900	-	8,150	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		2SF1249NTT	-	86,798	-
Total Division of Public Health			-	517,213	-
<b>Southwestern Commission Area Agency on Aging</b>					
Senior Center General Purpose Funding		22-07	-	10,901	-
<b>Total Southwestern Commission Area Agency on Aging</b>			<b>-</b>	<b>10,901</b>	<b>-</b>

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Office of Rural Health:</b>					
Community Health Grant		00044524	-	122,524	-
Total Office of Rural Health			-	122,524	-
<b>Total N.C. Department of Health and Human Services</b>					
<b><u>N.C. Department of Military and Veterans Affairs</u></b>					
Veterans Service		NCDMVA2023	-	2,083	-
<b><u>N.C. Department of Public Safety</u></b>					
<b><u>NC Sheriff's Association</u></b>					
Internet Crimes Against Children		SESSION LAW 2021-180		10,577	
<b><u>Adult Correction and Juvenile Justice</u></b>					
Juvenile Crime Prevention Council		1256-23764	-	23,362	23,362
<b><u>Division of Juvenile Justice</u></b>					
Juvenile Crime Prevention Council		1256-23478	-	32,829	32,829
Juvenile Crime Prevention Council		157-10324	-	11,309	11,309
Juvenile Crime Prevention Council		157-11447	-	2,275	-
Juvenile Crime Prevention Council		156-12109	-	43,351	43,351
<b>Total N.C. Department of Public Safety</b>					
<b><u>N.C. Department of Environmental Quality</u></b>					
<b><u>Division of Waste Management:</u></b>					
Scrap Tire Disposal Grant		SWS1194/SWS1232	-	4,978	-
Electronics Management Fund		ELEC023-028	-	3,295	-
<b>Total N.C. Department of Environmental Quality</b>					
<b><u>N.C. Department of Transportation</u></b>					
<b><u>ROAP:</u></b>					
ROAP Work First Transitional Employment Transportation Assistance Program		36236.11.10.1	-	12,352	-
ROAP Rural Operating Assistance Program - General Public Program		36228.22.11.1	-	84,047	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.11.1	-	78,197	-
Total ROAP			-	174,596	-
State Aid to Airports Program		36244.2.12.1	-	784,554	-
Public Access Funding		72.1109	-	25,000	-
<b>Total N.C. Department of Transportation</b>					
<b><u>N.C. Department of Agriculture &amp; Consumer Services, Division of Soil &amp; Water</u></b>					
District Matching and Cost Share Technical Assistance Funds		21-035-4053	-	28,959	-
Streamflow Rehabilitation Assistance Program		CONTRACT 22-080-4006	-	46,988	-
<b>Total N.C. Department of Agriculture</b>					
<b><u>N.C. Department of Public Instruction</u></b>					
Public School Building Capital Fund					
Repair and Renovation Lottery Fund		LEA 560	-	29,411	-
NC Lottery Proceeds		LEA 560	-	292,107	292,107
State Public School Funds		PRC 039- SRO	-	73,332	-
<b>Total N.C. Department of Public Instruction</b>					
<b><u>N.C. Office of State Budget and Management</u></b>					
State Capital and Infrastructure Fund		CONTRACT # 20391	-	4,331	-
State Capital and Infrastructure Fund		CONTRACT # 20392	-	3,151	-
Passed through Southwestern Commission Council of Governments					
State Capital and Infrastructure Fund		CONTRACT 60131	-	34,755	-
<b>Total N.C. Office of State Budget and Management</b>					

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b><u>N.C. Housing Finance Agency</u></b>					
NC Housing Trust Fund					
Urgent Repair Program		URP2219	-	124,005	-
Urgent Repair Program		URP2120	-	5,200	-
<b>Total N.C. Housing Finance Agency</b>			-	129,205	-
<b>Total State Assistance</b>			-	2,595,923	402,958
<b>Total Federal and State Assistance</b>			\$ 7,890,661	\$ 3,138,960	\$ 482,252

Notes to the Schedule of Expenditures of Federal and State Awards:**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Macon County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Macon County, it is not intended to and does not present the financial position, changes in net position or cash flows of Macon County.

**2. Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:  
Foster Care, Adoption, and Guardianship Assistance Program Cluster, Subsidized Child Care Program Cluster, and Special Children Adoption Fund Cluster

**4. Indirect Cost Rate**

Macon County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.