

**MACON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2015

MACON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2015

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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, 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, 2015, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements (not presented herein), and have issued our report thereon dated November 16, 2015. The financial statements of the Macon County Airport Authority were not audited in accordance with *Government Auditing Standards*.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

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 16, 2015

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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule of Expenditures Of Federal And State Awards Required By OMB Circular A-133 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

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. Macon County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Macon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Macon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Macon County's compliance.

Opinion on Each Major Federal Programs

In our opinion, Macon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report On Internal Control Over Compliance

Management of Macon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Macon County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Macon County's internal control over compliance.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 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, 2015, and the related notes to the financial statements, which collectively comprise Macon County's basic financials statements (not presented herein). We issued our report thereon dated November 16, 2015, 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. We have not performed any procedures with respect to the audited financial statements subsequent to November 16, 2015.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, NC

December 14, 2015

(except as related to the Report on the Schedule of Expenditures of Federal and State Awards, as to which the date is November 16, 2015)

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

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Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; And Report On The Schedule of Expenditures Of Federal And State Awards Required By OMB Circular A-133 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

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements described in 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, 2015. Macon County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Macon County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Macon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of Macon County's compliance.

Opinion on Each Major State Programs

In our opinion, Macon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2015.

Report On Internal Control Over Compliance

Management of Macon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Macon County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Macon County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report On Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 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, 2015, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements (not presented herein). We issued our report thereon dated November 16, 2015, 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. We have not performed any procedures with respect to the audited financial statements subsequent to November 16, 2015.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

December 14, 2015

(except as related to the Report on the Schedule of Expenditures of Federal and State Awards, as to which the date is November 16, 2015)

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses(es)?	None reported
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 Section 510(a) of OMB Circular A-133?	No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778, 93.775, 93.777
Airport Improvement Program	20.106
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$1,181,054</u>
Auditee qualified as low-risk auditee?	No

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major State programs:

- Material weakness identified? No
- Significant deficiency(ies) identified not considered to be material weakness(es)? None reported

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? No

Identification of major State programs:

Program Name
 Medicaid Cluster

2. Findings Related to the Audit of the Basic Financial Statements

None reported

3. Federal Award Findings and Questioned Costs

None reported

4. State Award Findings and Questioned Costs

None reported

MACON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

No prior year findings.

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Federal Awards				
<u>U.S. Department of Agriculture</u>				
Food and Nutrition Service				
Passed through the N.C. Department of Health and Human Services:				
Division of Social Services:				
Administration:				
Supplemental Nutrition Assist. Program Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
	10.561	XXXX	\$ 341,739	\$ (229)
Passed through the N.C. Department of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplemental Nutrition Program for Women, Infant, & Children				
	10.557	XXXX	194,489	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infant, & Children				
	10.557	XXXX	766,470	-
Child Nutrition Cluster:				
AGRI-SFP Food Program Meal				
	10.559	XXXX	<u>1,999</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,304,697</u>	<u>(229)</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the N.C. Housing Finance Agency:				
Federal HOME Funds - Home Investment Partnership Program				
	14.239	SFR-14	<u>30,811</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Federal Transit Administration:				
Passed through the N.C. Department of Transportation				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants				
	20.500	36232.25.1.3	<u>295,729</u>	<u>-</u>
Transit Services Programs Cluster:				
Enhanced Mobility for Seniors and Individuals with Disabilities Program				
	20.513	51001.28.2.2	68,983	-
New Freedom Program				
	20.521	51000.27.1.2	17,178	-
New Freedom Program				
	20.521	51000.27.1.2	<u>1,628</u>	<u>-</u>
Total Transit Services Programs Cluster			87,789	-
Passed through the N.C. Department of Transportation				
Formula Grants for Rural Areas				
	20.509	51003.55.4.STT2	37,074	4,634
Formula Grants for Rural Areas				
	20.509	36233.68.16.1	33,405	2,088
Formula Grants for Rural Areas				
	20.509	36233.68.15.1	34,412	2,151
Formula Grants for Rural Areas				
	20.509	36233.68.15.3	<u>4,568</u>	<u>623</u>
Passed through the National Highway Traffic Safety Administration				
Highway Safety Cluster:				
State and Community Highway Safety				
	20.600	52014.5.63	22,107	-
State and Community Highway Safety				
	20.600	52015.5.17	<u>7,403</u>	<u>-</u>
Total Highway Safety Cluster			29,510	-
Federal Aviation Administration:				
Passed through the N.C. Department of Transportation				
Airport Improvement Program				
	20.106	36237.1.13.2	1,646,156	-
Airport Improvement Program				
	20.106	36237.1.11.3	7,012	-
Airport Improvement Program				
	20.106	36237.1.14.1	<u>33,508</u>	<u>-</u>
Total U.S. Department of Transportation			<u>2,209,163</u>	<u>9,496</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the N.C. Department of Crime Control and Public Safety:				
Division of Emergency Management:				
Pre-Disaster Mitigation Program Grant				
	97.047	XXXX	40,523	-
Emergency Management Performance Grants				
	97.042	XXXX	<u>31,471</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>71,994</u>	<u>-</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
U.S. Department of Health and Human Services				
Administration on Aging:				
Division of Aging and Adult Services:				
Passed through Centralina Council of Governments:				
Southwestern Economic and Development Commission:				
Aging Home-Delivered Nutrition Services for States	93.705	XXXX	10,604	100,713
Aging Congregate Nutrition Services for States	93.707	XXXX	8,201	70,068
National Family Caregiver Support, Title III, Part E	93.052	XXXX	-	35,405
Total Administration on Aging			18,805	206,186
Administration for Children and Families:				
Passed through the N.C. Department of Health and Human Services:				
Division of Social Services:				
Foster and Adoption Cluster (Note 3):				
Title IV-E Foster Care - Administration	93.658	XXXX	125,670	445
Foster Care - Direct Benefit Payments	93.658	XXXX	96,501	23,517
Foster Care	93.658	XXXX	34,912	-
Adoption Assistance - Administration	93.659	XXXX	14,104	39,922
Adoption Assistance - Direct Benefit Payments	93.659	XXXX	169,495	43,925
Total Foster Care and Adoption Cluster			440,682	107,809
Division of Social Services:				
Temporary Assistance for Needy Families Cluster:				
Temporary Assistance for Needy Families / Work First - Administration	93.558	XXXX	345,666	-
TANF / Work First - Direct Benefit Payments	93.558	XXXX	1,386	-
Temporary Assistance for Needy Families	93.558	XXXX	474	-
Total TANF Cluster			347,526	-
NC Child Support Enforcement Section:				
IV-D Administration / CSE Incentive Recovery	93.563	XXXX	161,301	-
IV-D Offset Fees - ESC	93.563	XXXX	44	-
IV-D Offset Fees - Federal	93.563	XXXX	606	-
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568	XXXX	224,784	-
Crisis Intervention Program	93.568	XXXX	131,899	-
Child Welfare Services - State Grants				
- Permanency Planning - Families for Kids	93.645	XXXX	11,304	-
SSBG - Other Service and Training	93.667	XXXX	76,980	8,938
LINKS - Administration	93.674	XXXX	5,556	14,167
Independent Living Grant - Direct Benefit Payments	93.674	XXXX	7,366	-
AFDC Payments and Penalties	93.560	XXXX	(118)	(32)
Family Preservation - Administration	93.556	XXXX	11,921	-
Division of Aging and Adult Services:				
Division of Social Services:				
SSBG - State In Home Service Fund	93.667	XXXX	4,825	-
SSBG - State Adult Day Care	93.667	XXXX	15,947	-
SSBG - Adult Protective Service	93.667	XXXX	13,850	-
CPS TANF to SSBG	93.667	XXXX	70,905	-
Division of Child Development:				
Subsidized Child Care (Note 3)				
Child Care Development Fund Cluster				
Division of Social Services				
Child Care Development Fund-Administration	93.596	XXXX	76,752	-
Division of Child Development				
Child Care and Development Fund -- Discretionary	93.575	XXXX	596,788	-
Child Care and Development Fund -- Mandatory	93.596	XXXX	219,126	-
Child Care and Development Fund -- Match	93.596	XXXX	83,787	13,951
Total Child Care Development Fund Cluster			976,453	13,951

MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Temporary Assistance for Needy Families	93.558	XXXX	169,219	-
Foster Care Title IV-E	93.658	XXXX	16,022	6,564
State Appropriations		XXXX	-	120,959
TANF-MOE		XXXX	-	38,028
Total Subsidized Child Care Cluster			1,161,694	179,502
Passed through the Region A Partnership for Children: Smart Start Grant		XXXX	-	4,775
Total Administration for Children and Families			2,687,072	315,159
Centers for Medicare and Medicaid Services:				
Passed through the N.C. Department of Health and Human Services: Medicaid Cluster:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778	XXXX	30,365,552	16,579,145
Division of Social Services:				
Administration:				
Medical Assistance Program	93.778	XXXX	978,561	2,502
Total Medicaid Cluster			31,344,113	16,581,647
Division of Medical Assistance:				
Direct Benefit Payments:				
State Children's Insurance Program - N.C. Health Choice	93.767	XXXX	951,730	298,881
Division of Social Services:				
Administration:				
State Children's Insurance Program - N.C. Health Choice	93.767	XXXX	19,072	1,033
Total State Children's Insurance Program			970,802	299,914
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	XXXX	4,145	-
Total Centers for Medicare and Medicaid Services			32,319,060	16,881,561
Centers for Disease Control and Prevention:				
Passed through the N.C. Department of Health and Human Services: Division of Public Health:				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				
	93.074	XXXX	32,125	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	XXXX	16,667	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	XXXX	28	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	XXXX	2,477	-
Immunization Grants	93.268	XXXX	18,347	-
National Tobacco Control Program	93.305	XXXX	5,624	-
The Patient Protection and Affordable Care Act of 2010	93.531	XXXX	140,000	-
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease, and Stroke (PPHF)	93.757	XXXX	113,405	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	XXXX	13,757	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	XXXX	43,764	-
HIV Prevention Activities_Health Department Based	93.940	XXXX	1,000	-
State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health	93.945	XXXX	2,891	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	XXXX	50	-
Statewide Health Promotion Program	93.991	XXXX	6,789	-
Total Centers for Disease Control and Prevention			396,924	-
Health Resources and Services Administration:				
Passed through the N.C. Department of Health and Human Services: Division of Public Health:				
Maternal and Child Health Services Block Grant	93.994	XXXX	41,236	30,931

MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Office of Population Affairs				
Passed through N.C. Department of Health and Human Services:				
Office of Population Affairs				
Family Planning Services	93.217	XXXX	28,501	-
Low-Income Home Energy Assistance Program Funds:				
Weatherization Services	93.568	#6504WA LIHEAP	113,226	-
HARRP Services	93.568	#6504WA HARRP	59,127	-
Total Office of Population Affairs			<u>200,854</u>	<u>-</u>
Administration for Community Living				
Medicare Enrollment Assistance Program	93.071	XXXX	1,773	-
Total U.S. Department of Health and Human Services			<u>35,665,724</u>	<u>17,433,837</u>
<u>Department of Energy</u>				
Office of Energy Efficiency and Renewable Energy:				
Weatherization Assistance for Low-Income Persons	81.042	#6504WA DOE	86,090	-
Total Federal Assistance			<u>39,368,479</u>	<u>17,443,104</u>
State Awards				
<u>N.C. Department of Health and Human Services</u>				
Division of Aging and Adult Services:				
Division of Social Services:				
State/County Special Assistance for Adults - Direct Benefit Payments	XXXX	XXXX	-	166,284
Division of Social Services:				
Administration:				
AFDC Incent/Prog Integrity	XXXX	XXXX	-	16
ST Child Welfare/ CPS/CS LD	XXXX	XXXX	-	32,311
Energy Assist Private Grants	XXXX	XXXX	-	6,623
Direct Benefit Payments:				
State Foster Home	XXXX	XXXX	-	18,537
CWS Adopt Subsidy & Vendor	XXXX	XXXX	-	21,175
SFHF Maximization	XXXX	XXXX	-	7,245
Total Division of Social Services			<u>-</u>	<u>252,191</u>
Division of Public Health:				
Other Receipts / State Supported Expenditures				
General Aid to Counties	XXXX	XXXX	-	82,370
Food and Lodging Fees	XXXX	XXXX	-	15,936
General Communicable Disease Control	XXXX	XXXX	-	10,678
Tuberculosis	XXXX	XXXX	-	1,580
Child Health	XXXX	XXXX	-	400
Sexually Transmitted Diseases	XXXX	XXXX	-	311
Risk Reduction/ Health Promotion	XXXX	XXXX	-	6,286
TB Medical Service	XXXX	XXXX	-	540
School Nurse Funding Initiative	XXXX	XXXX	-	150,000
HIV/STD State	XXXX	XXXX	-	400
HIV/STD SSBG Aid	XXXX	XXXX	-	100
HMHC-Family Planning	XXXX	XXXX	-	1,433
Maternal Health (HMHC)	XXXX	XXXX	-	3,100
Breast and Cervical Cancer Program	XXXX	XXXX	-	10,200
Women's Health Service Fund	XXXX	XXXX	-	7,337
Total Division of Public Health			<u>-</u>	<u>290,671</u>
Division of Emergency Management				
Tier II Grant	XXXX	XXXX	-	1,104
Division of Medical Assistance:				
Medicaid Enhancement Funds	XXXX	XXXX	-	167,035
Total N.C. Department of Health and Human Services			<u>-</u>	<u>711,001</u>

MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>N.C. Department of Public Safety</u>				
Division of Juvenile Justice				
Juvenile Crime Prevention Counseling Rest	XXXX	XXXX	-	87,556
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Waste Management:				
DWM-Scrap Tire Fund-SWMGT	XXXX	XXXX	-	19,579
DWM-Electronics Management	XXXX	XXXX	-	2,632
Total N.C. Department of Environment and Natural Resources			-	22,211
<u>N.C. Department of Transportation</u>				
ROAP Cluster:				
ROAP-Employment	XXXX	WBS#36236.11.3.1	-	8,896
ROAP-Rural General Public	XXXX	WBS#36228.22.5.1	-	54,397
ROAP-Elderly and Disabled Transportation	XXXX	WBS#36220.10.5.1	-	56,204
Total ROAP Cluster			-	119,497
Emergency Preparedness Grant	XXXX	XXXX	-	32,125
Total N.C. Department of Transportation			-	151,622
<u>N.C. Department of Agriculture</u>				
NC Agricultural Development & Farmland Preservation Trust Fund	XXXX	XXXX	-	14,754
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund				
NC Lottery Proceeds	XXXX	XXXX	-	284,945
<u>N.C. Department of Corrections</u>				
Division of Community Corrections				
Bulletproof Vest Partnership	XXXX	XXXX	-	2,418
Total State Assistance			-	1,274,507
Total Federal and State Assistance			\$ 39,368,479	\$ 18,717,611

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, 2015. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Because the SEFSA 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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or cost principles contained in the Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available.

3. Clusters of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes:
Subsidized Child Care and Foster Care and Adoption

4. Subrecipients

Of the federal and State expenditures presented in the schedule, Macon County provided federal and State awards to subrecipients as follows:

Program Title	CFDA Number	Pass-through Grantor's Number	Federal Expenditures	State Expenditures
Juvenile Crime Prevention Counseling Rest	N/A	XXXX	\$ -	\$ 87,556
Child Care Development Fund Cluster / Subsidized Child Care	93.596, 93.575	XXXX	976,453	179,502