

**MACON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2014

MACON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2014

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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, 2014, 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 December 9, 2014. The financial statements of 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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
December 9, 2014

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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'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, which could have a direct and material effect on each of Macon County's major federal programs for the year ended June 30, 2014. 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 Program

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, 2014.

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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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 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 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 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, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements, and have issued our report thereon dated December 9, 2014, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 other 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, North Carolina
December 9, 2014

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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'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, 2014. 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 and 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 Program

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, 2014.

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 the 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 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 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, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements, and have issued our report thereon dated December 9, 2014, which contained unmodified opinions on those financial statements. Our audit was performed 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 other 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 taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 9, 2014

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

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 weaknesses	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	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
Adoption Assistance	93.659

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$1,034,288</u>
Auditee qualified as low-risk auditee?	No

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

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
 Public School Building Capital Fund – Lottery Proceeds
 Adoption Assistance

2. Financial Statements Findings

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, 2014

No prior year findings.

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
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	\$ 323,204	\$ -
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	212,269	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infant, & Children	10.557	XXXX	718,107	-
Child Nutrition Cluster:				
AGRI-SFP Food Program Meal	10.559	XXXX	1,456	-
Total U.S. Department of Agriculture			<u>1,255,036</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the N.C. Housing Finance Agency:				
Federal HOME Funds	14.239	SFRLP 2011	17,767	-
<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	XXXX	134,157	-
Transit Services Programs Cluster:				
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	51001.28.2.2	53,444	-
Passed through the N.C. Department of Transportation				
Formula Grants for Rural Areas	20.509	51003.55.3.STT1	19,330	-
Formula Grants for Rural Areas	20.509	36233.68.14.1	41,044	2,565
Formula Grants for Rural Areas	20.509	36233.68.14.3	40,265	5,032
Formula Grants for Rural Areas	20.509	36233.68.15.1	114,155	7,134
Formula Grants for Rural Areas	20.509	36233.68.15.3	3,524	392
Passed through the National Highway Traffic Safety Administration				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	52014.5.63	19,180	-
Safety Belt Performance Grants	20.609	52013.14.9	25,870	-
Total Highway Safety Cluster			<u>45,050</u>	<u>-</u>
Federal Aviation Administration:				
Passed through the N.C. Department of Transportation				
Airport Improvement Program	20.106	36237.1.11.3	33,178	-
Airport Improvement Program	20.106	36237.1.13.1	40,364	-
Airport Improvement Program	20.106	36237.1.13.2	597,598	-
Airport Improvement Program	20.106	36237.1.12.1	2,716	-
Total U.S. Department of Transportation			<u>1,124,825</u>	<u>15,123</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
<u>Environmental Protection Agency</u>				
Office of Water:				
Passed through the N.C. Department of Environment and Natural Resources				
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	536997 6C08	64,105	-
<u>U.S. Department of Homeland Security</u>				
Passed through the N.C. Department of Crime Control and Public Safety:				
Division of Emergency Management:				
Emergency Management Performance Grants	97.042	XXXX	29,245	-
<u>U.S. Department of Health and Human Services</u>				
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	10,897	104,069
Aging Congregate Nutrition Services for States	93.707	XXXX	8,278	70,852
National Family Caregiver Support, Title III, Part E	93.052	XXXX	-	44,862
Total Administration on Aging			19,175	219,783
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 2):				
Title IV-E Foster Care - Administration	93.658	XXXX	184,332	24,487
Foster Care - Direct Benefit Payments	93.658	XXXX	98,301	24,252
Adoption Assistance - Administration	93.659	XXXX	19,956	2,761
Adoption Assistance - Direct Benefit Payments	93.659	XXXX	169,442	44,270
Total Foster Care and Adoption Cluster			472,031	95,770
Division of Social Services:				
Temporary Assistance for Needy Families Cluster:				
Temporary Assistance for Needy Families / Work First - Administration	93.558	XXXX	584,943	-
Temporary Assistance for Needy Families	93.558	XXXX	1,533	-
TANF / Work First - Direct Benefit Payments	93.558	XXXX	1,848	-
Total TANF Cluster			588,324	-
Social Service Block Grant	93.667	XXXX	-	500
NC Child Support Enforcement Section:				
IV-D Administration / CSE Incentive Recovery	93.563	XXXX	194,984	-
IV-D Offset Fees - ESC	93.563	XXXX	44	-
IV-D Offset Fees - Federal	93.563	XXXX	632	-
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568	XXXX	142,246	-
Crisis Intervention Program	93.568	XXXX	244,485	-
Child Welfare Services - State Grants				
- Permanency Planning - Families for Kids	93.645	XXXX	18,519	-
SSBG - Other Service and Training	93.667	XXXX	75,354	8,888
LINKS - Administration	93.674	XXXX	3,890	973
Independent Living Grant - Direct Benefit Payments	93.674	XXXX	5,607	-
Family Preservation - Administration	93.556	XXXX	10,133	-
Division of Aging and Adult Services:				
Division of Social Services:				
SSBG - State In Home Service Fund	93.667	XXXX	9,574	-
SSBG - State Adult Day Care	93.667	XXXX	18,763	11,929
SSBG - Adult Protective Service	93.667	XXXX	14,656	-
CPS TANF to SSBG	93.667	XXXX	70,905	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Division of Child Development:				
Passed through the N.C. Dept. of Health and Human Services				
Subsidized Child Care (Note 2)				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services:				
Child Care Development Fund-Administration	93.596	XXXX	82,604	-
Division of Child Development				
Child Care and Development Fund -- Discretionary	93.575	XXXX	483,161	-
Child Care and Development Fund -- Mandatory	93.596	XXXX	303,326	-
Child Care and Development Fund -- Match	93.596	XXXX	83,475	8,473
Total Child Care Development Fund Cluster			<u>952,566</u>	<u>8,473</u>
Temporary Assistance for Needy Families	93.558	XXXX	271,701	-
Foster Care Title IV-E	93.658	XXXX	13,108	6,863
Passed through the Region A Partnership for Children:				
Smart Start Grant		XXXX	-	48,610
State Appropriations		XXXX	-	80,093
TANF-MOE		XXXX	-	69,004
Total Subsidized Child Care Cluster			<u>1,237,375</u>	<u>213,043</u>
Total Administration for Children and Families			<u>3,107,522</u>	<u>331,103</u>
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	26,202,052	14,563,539
Division of Social Services:				
Administration:				
Medical Assistance Program	93.778	XXXX	609,813	9,115
Total Medicaid Cluster			<u>26,811,865</u>	<u>14,572,654</u>
Division of Medical Assistance:				
Direct Benefit Payments:				
State Children's Insurance Program - N.C. Health Choice	93.767	XXXX	920,706	290,421
Division of Social Services:				
Administration:				
State Children's Insurance Program - N.C. Health Choice	93.767	XXXX	15,771	1,915
Total State Children's Insurance Program			<u>936,477</u>	<u>292,336</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	XXXX	4,047	-
Total Centers for Medicare and Medicaid Services			<u>27,752,389</u>	<u>14,864,990</u>
Centers for Disease Control and Prevention:				
Passed through the N.C. Department of Health and Human Services:				
Division of Public Health:				
Public Health Emergency Preparedness	93.069	XXXX	32,125	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	XXXX	13,571	-
Immunization Grants	93.268	XXXX	18,974	-
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	XXXX	1,371	-
The Patient Protection and Affordable Care Act of 2010	93.531	XXXX	569,552	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	XXXX	42,288	10,200
Statewide Health Promotion Program	93.991	XXXX	10,783	-
Total Centers for Disease Control and Prevention			<u>688,664</u>	<u>10,200</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
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	44,759	34,285
Office of Population Affairs				
Passed through N.C. Department of Health and Human Services:				
Office of Population Affairs				
Family Planning Services	93.217	XXXX	24,823	-
Low-Income Home Energy Assistance Program Funds:				
Weatherization Services	93.568	#1461WA LIHEAP	167,041	-
HARRP Services	93.568	#1461WA HARRP	56,989	-
Administration for Community Living				
Medicare Enrollment Assistance Program	93.071	XXXX	5,739	-
Total U.S. Department of Health and Human Services			31,867,101	15,460,361
Department of Energy				
Office of Energy Efficiency and Renewable Energy:				
Weatherization Assistance for Low-Income Persons				
Weatherization Assistance for Low-Income Persons	81.042	#1461WA DOE	10,862	-
Weatherization Assistance for Low-Income Persons - ARRA Funds	81.402	XXXX	30,727	-
Total Department of Energy			41,589	-
U.S. Department of Housing and Urban Development:				
Passed-Through N.C. Department of Commerce:				
Division of Community Assistance:				
CDBG - State-Administered CDBG Cluster:				
Community Development Block Grant / State's Program and				
Non-Entitlement Grants in Hawaii	14.228	10-C-2124	76,585	-
Total Federal Assistance			34,476,253	15,475,484
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	-	165,936
Division of Social Services:				
Administration:				
Energy Assist Private Grants				
	XXXX	XXXX	-	7,150
Direct Benefit Payments:				
State Foster Home				
	XXXX	XXXX	-	5,408
CWS Adopt Subsidy & Vendor				
	XXXX	XXXX	-	20,090
SFHF Maximization				
	XXXX	XXXX	-	4,557
Total Division of Social Services			-	203,141

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Division of Public Health:				
Other Receipts / State Supported Expenditures			-	
General Aid to Counties	XXXX	XXXX	-	82,370
Food and Lodging Fees	XXXX	XXXX	-	11,567
Environmental Health	XXXX	XXXX	-	4,000
Public Health Nursing	XXXX	XXXX	-	800
General Communicable Disease Control	XXXX	XXXX	-	10,678
Tuberculosis	XXXX	XXXX	-	1,580
Risk Reduction/ Health Promotion	XXXX	XXXX	-	6,286
TB Medical Service	XXXX	XXXX	-	540
School Nurse Funding Initiative	XXXX	XXXX	-	150,000
Maternal Health (HMHC)	XXXX	XXXX	-	1,841
Women's Health Service Fund	XXXX	XXXX	-	7,337
Total Division of Public Health			-	276,999
Division of Medical Assistance:				
Medicaid Enhancement Funds	XXXX	XXXX	-	138,703
Total N.C. Department of Health and Human Services			-	618,843
<u>N.C. Department of Administration</u>				
Veterans Service	XXXX	XXXX	-	1,452
<u>N.C. Department of Public Safety</u>				
Division of Juvenile Justice				
Juvenile Crime Prevention Counseling Rest	XXXX	XXXX	-	89,314
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Waste Management:				
DWM-Scrap Tire Fund-SWMGT	XXXX	536961 6770	-	13,572
DWM-Electronics Management	XXXX	536961 2395	-	2,244
Division of Environmental Assistance:				
DEA- Off Waste Red Trust Fund	XXXX	XXXX	-	10,026
Total N.C. Department of Environment and Natural Resources			-	25,842
<u>N.C. Department of Transportation</u>				
ROAP Cluster:				
ROAP-Employment	XXXX	WBS#36236.11.3.1	-	8,765
ROAP-Rural General Public	XXXX	WBS#36228.22.5.1	-	71,183
ROAP-Elderly and Disabled Transportation	XXXX	WBS#36220.10.4.1	-	60,667
Total ROAP Cluster			-	140,615
State Aid to Airports	XXXX	WBS#36244.2.11.2	-	149,913
Emergency Preparedness Grant	XXXX	XXXX	-	32,125
Total N.C. Department of Transportation			-	322,653
<u>N.C. Department of Agriculture</u>				
NC Agricultural Development & Farmland Preservation Trust Fund	XXXX	XXXX	-	46,497
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund				
NC Lottery Proceeds	XXXX	XXXX	-	311,051
<u>N.C. Rural Economic Development Center</u>				
Clean Water Partner's Infrastructure Fund	XXXX	2010-003-40101-112	-	285,926
<u>N.C. Department of Corrections</u>				
Division of Community Corrections				
Bulletproof Vest Partnership	XXXX	XXXX	-	5,649

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Housing Finance Agency</u>				
House Trust Fund (HTF FFF 2013)				
Urgent Repair Program 2013 Project # 9158433	XXXX	9158433	-	37,500
Total State Assistance			-	1,744,727
Total Federal and State Assistance			\$ 34,476,253	\$ 17,220,211

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 includes the Federal and State grant activity of Macon County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered Federal awards to the County and are included on this schedule.

2. 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

3. Subrecipients

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Juvenile Crime Prevention Counseling Rest	N/A	XXXX	\$ -	\$ 89,314
Child Care Development Fund Cluster / Subsidized Child Care	93.596, 93.575	XXXX	952,566	213,043