

**MACON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2011

MACON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2011

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**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***

Board of Commissioners
Macon County, North Carolina

We have audited the basic 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, 2011, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Macon County Airport Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of Macon County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Macon County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 significant 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.

Our consideration of the 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 the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Macon County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

This report is intended solely for the information and use of the Board of County Commissioners and management of Macon County, North Carolina, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 24, 2011

Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

Board of Commissioners
Macon County, North Carolina

Compliance

We have audited Macon County, North Carolina's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2011. Macon County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Macon County's management. Our responsibility is to express an opinion on Macon County's compliance based on our audit.

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. Our audit does not provide a legal determination of Macon County's compliance with those requirements.

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, 2011.

Internal Control Over Compliance

Management of Macon County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Macon County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, 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 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

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, 2011, which collectively comprise Macon County's basic financial statements, and have issued our report thereon dated October 24, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion 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.

This report is intended solely for the information and use of the Board of County Commissioners and management of Macon County, North Carolina, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 24, 2011

Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major State Program And On Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 And The State Single Audit Implementation Act

Board of Commissioners
Macon County, North Carolina

Compliance

We have audited Macon County, North Carolina's compliance with the types of compliance requirements described in applicable sections of U.S. Office of Management and Budget (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 State programs for the year ended June 30, 2011. Macon County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Macon County's management. Our responsibility is to express an opinion on Macon County's compliance based on our audit.

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*, and the State Single Audit Implementation Act. Those standards, applicable sections of 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. Our audit does not provide a legal determination of Macon County's compliance with those requirements.

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, 2011.

Internal Control Over Compliance

Management of Macon County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Macon County's internal control over compliance with requirements that could have a direct and material effect on a major State program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal controls over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

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, 2011, which collectively comprise Macon County's basic financial statements, and have issued our report thereon dated October 24, 2011, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion 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.

This report is intended solely for the information and use of the Board of County Commissioners and management of Macon County, North Carolina, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 24, 2011

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weakness identified	No
• Significant deficiency identified	None reported
Non-compliance material to financial statements noted	No

Federal Awards

Internal control over major federal programs:	
• Material weakness identified	No
• Significant deficiency identified	None reported
Type of auditors' report issued on compliance for major federal programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	No

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

1. Summary of Auditors' Results (Continued)

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
Special Supplemental Nutrition Program For Women, Infants, and Children	10.557
State Block Grant Program	20.106
Drinking Water State Revolving Fund	66.468

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$1,034,278</u>
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Auditee qualified as low-risk auditee?	No
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State Awards

Internal control over major State programs:

- | | |
|-------------------------------------|---------------|
| • Material weakness identified | No |
| • Significant deficiency identified | None reported |

Type of auditors' report issued on compliance for major State programs	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	No
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Identification of major State programs:

<u>Program Name</u>
Medicaid Cluster
NC Department of Transportation: State Aid to Airports
Division of Water Quality: NC High Unit Cost Grant
Drinking Water State Revolving Fund
NC Clean Water Revolving Loan
Public School Building Capital Fund: NC Lottery Proceeds

MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011

No prior year findings.

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and 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	\$ 308,692	\$ -
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	182,446	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infant, & Children	10.557	XXXX	708,841	-
Administration:				
Child and Adult Care food program	10.558	XXXX	21,938	-
Total U.S. Department of Agriculture			1,221,917	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed-Through the N.C. Housing Finance Agency:				
Urgent Repair Program	14.XXX	URP1014	37,500	-
Total U.S. Department of Housing and Urban Development			37,500	-
<u>U.S. Department of Transportation</u>				
Federal Aviation Administration:				
Passed-Through the N.C. Department of Transportation				
State Block Grant Program	20.106	36237.1.11.3	\$ 1,789,775	\$ -
Federal Transit Administration:				
Passed-Through the N.C. Department of Transportation				
Formula Grants for Other than Urbanized Areas	20.509	36233.68.12.1	169,569	11,813
Passed-Through the National Highway Traffic Safety Administration				
State and Community Highway Safety formula grant	20.600	59000.6.16	20,440	-
State Traffic Safety Information System Improvement grants	20.610	59000.15.5	9,807	-
Total U.S. Department of Transportation			1,989,591	11,813
<u>Environmental Protection Agency</u>				
Office of Water:				
Passed-Through the N.C. Department of Environment and Natural Resources				
Drinking Water State Revolving Fund	66.468	DEH-1275	1,184,272	319,239
Total Environmental Protection Agency			1,184,272	319,239
<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	50,783	-
Total U.S. Department of Homeland Security			50,783	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
<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 Cluster:				
Aging Home-Delivered Nutrition Services for States	93.705	XXXX	7,812	84,991
Aging Congregate Nutrition Services for States	93.707	XXXX	6,294	61,006
Total Aging Cluster:			14,106	145,997
National Family Caregiver Support, Title III, Part E	93.052	XXXX	-	50,648
Total Administration on Aging			14,106	196,645
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	195,254	55,310
Foster Care - Direct Benefit Payments	93.658	XXXX	117,903	28,314
Adoption/Foster Care	93.658	XXXX	48,710	7,824
Adoption Assistance - Administration	93.659	XXXX	2,343	-
Adoption Assistance - Direct Benefit Payments	93.659	XXXX	135,515	29,929
Total Foster Care and Adoption:			499,725	121,377
Division of Social Services:				
Temporary Assistance for Needy Families Cluster:				
Temporary Assistance for Needy Families (TANF) / Work				
First - Administration	93.558	XXXX	524,335	-
TANF / Work First - Direct Benefit Payments	93.558	XXXX	10,378	-
Division of Public Health:				
Temporary Assistance for Needy Families	93.558	XXXX	1,881	-
Total TANF Cluster:			536,594	-
NC Child Support Enforcement Section:				
IV-D Administration / CSE Incentive Recovery	93.563	XXXX	152,553	-
IV-D Offset Fees - ESC	93.563	XXXX	76	-
IV-D Offset Fees - Federal	93.563	XXXX	633	-
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568	XXXX	17,839	-
Energy Assistance Payments - Direct Benefit Payments	93.568	XXXX	470,226	-
Crisis Intervention Program	93.568	XXXX	220,351	-
Child Welfare Services - State Grants				
- Permanency Planning - Families for Kids	93.645	XXXX	9,574	-
SSBG - Other Service and Training	93.667	XXXX	87,206	9,074
LINKS - Administration	93.674	XXXX	7,647	1,912
Independent Living Grant - Direct Benefit Payments	93.674	XXXX	1,848	-
Family Violence Prevention - Administration	93.671	XXXX	1,959	-
Family Preservation - Administration	93.556	XXXX	2,809	-
Division of Aging and Adult Services:				
Division of Social Services:				
SSBG - State In Home Service Fund	93.667	XXXX	9,831	-
SSBG - State Adult Day Care	93.667	XXXX	19,950	16,873
Division of Child Development:				
Subsidized Child Care (Note 2)				
<u>Child Care Development Fund Cluster:</u>				
Division of Social Services:				
Child Care Development Fund - Administration	93.596	XXXX	79,794	-
Total Administration for Children and Families			2,118,615	149,235

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
Centers for Medicare and Medicaid Services:				
Passed-Through the N.C. Department of Health and Human Services:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778	XXXX	26,639,518	11,235,237
Division of Public Health:				
Medical Assistance Program	93.778		22,025	8,497
Division of Social Services:				
Administration:				
Medical Assistance Program	93.778	XXXX	492,503	9,576
Total Medicaid Cluster:			27,154,046	11,253,310
State Children's Insurance Program - N.C. Health Choice	93.767	XXXX	27,834	1,585
Total Centers for Medicare and Medicaid Services			27,181,880	11,254,895
Centers for Disease Control:				
Passed-Through the N.C. Department of Health and Human Services:				
Division of Public Health:				
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	XXXX	13,206	-
Statewide Health Promotion Program/Preventive Health and Health Services Block Grant	93.991	XXXX	5,659	-
Total Centers for Disease Control			18,865	-
Health Resources and Services Administration:				
Passed-Through the N.C. Department of Health and Human Services:				
Division of Public Health:				
Immunization Cluster:				
Immunization Grants	93.268	XXXX	21,218	-
Total Immunization Cluster			21,218	-
Maternal and Child Health Services Block Grant	93.994	XXXX	199,242	35,811
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	XXXX	163,651	120
Public Health Emergency Preparedness	93.069	XXXX	9,651	-
Family Planning Services	93.217	XXXX	38,656	-
Total Health Resources and Services Administration			432,418	35,931
Total U.S. Department of Health and Human Services			29,765,884	11,636,706
<u>Department of Energy</u>				
Office of Energy Efficiency and Renewable Energy:				
Weatherization Assistance for Low-Income Persons	81.042	1161WA	47,122	-
Weatherization Assistance for Low-Income Persons - ARRA Funds	81.402	XXXX	178,870	-
Total Department of Energy			225,992	-
Total Federal Assistance			\$ 34,475,939	\$ 11,967,758

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
State Grants				
<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 - DBP	XXXX	XXXX	-	164,858
Division of Social Services:				
Administration:				
CPS Expansion-State	XXXX	XXXX	-	21,333
Energy Assist Private Grants	XXXX	XXXX	-	10,990
State Adult Protective Service	XXXX	XXXX	-	23,585
Direct Benefits:				
State Foster Home	XXXX	XXXX	-	9,324
CWS Adopt Subsidy & Vendor	XXXX	XXXX	-	12,323
SFHF Maximization	XXXX	XXXX	-	26,904
Foster Care Special Provision	XXXX	XXXX	-	31,018
Total Division of Social Services			-	300,334
Division of Public Health:				
General	XXXX	XXXX	-	98,697
Public Health Nurse Training	XXXX	XXXX	-	606
Communicable Disease	XXXX	XXXX	-	10,785
Tuberculosis	XXXX	XXXX	-	2,141
AIDS-State	XXXX	XXXX	-	505
Women's Preventative Health	XXXX	XXXX	-	7,070
Risk Reduction/ Health Promotion	XXXX	XXXX	-	21,577
Breast and Cervical Cancer Control	XXXX	XXXX	-	10,441
Total Division of Public Health			-	151,822
Passed-Through the Region A Partnership for Children:				
Smart Start Grant	XXXX	XXXX	-	66,296
NC Health and Trust Fund Commission:				
NC Health and Wellness-Tobacco	XXXX	XXXX	-	62,039
Division of Medical Assistance:				
Medicaid Enhancement Funds	XXXX	XXXX	-	236,777
Total N.C. Department of Health and Human Services			-	817,268
<u>N.C. Department of Administration</u>				
Veterans Service	XXXX	XXXX	-	2,000
<u>N.C. Department of Crime Control and Public Safety</u>				
Division of Emergency Management				
Governor's Crime Commission				
Crisis Housing Assistance Funds	XXXX	XXXX	-	9,250
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Soil & Water Conservation				
SWC - Administration	XXXX	XXXX	-	3,960
Division of Waste Management:				
DWM-Scrap Tire Fund-SWMGT	XXXX	536961 6770	-	42,918
DWM-Electronics Management	XXXX	536961 2395	-	2,484
Division of Environmental Health:				
DEH-Environmental Health Serv	XXXX	536961 14754751	-	4,000
DEH-Food/Lodging Fee Collection	XXXX	536961 14754752	-	7,764

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
Division of Environmental Assistance:				
PPA- Off Waste Red Trust Fund (PPA)	XXXX	EPA4735897	-	18,720
Division of Water Quality:				
NC High Unit Cost Grant	XXXX	E-SRG-T-02-0134	-	1,158,564
NC Clean Water Revolving Loan - General Revolving Loan Acct (Note 3)	XXXX	E-SRL-T-02-0051	-	1,314,954
Total N.C. Department of Environment and Natural Resources			-	2,553,364
<u>N.C. Department of Transportation</u>				
State Aid to Airports	XXXX	WBS#36244.2.7.2	-	558,129
Macon County Bus Drive and Parking Area	XXXX	WBS#43085	-	50,000
ROAP-Work-First	XXXX	WBS#36236.11.1.1	-	12,615
ROAP-Rural General Public	XXXX	WBS#36228.22.3.1	-	74,838
ROAP-Elderly and Disabled Transportation	XXXX	WBS#36220.10.3.1	-	73,868
Emergency Preparedness Grant	XXXX	XXXX	-	39,740
Total N.C. Department of Transportation			-	809,190
<u>N.C. Department of Agriculture</u>				
Macon County Cooperative Extension 4-H Program				
Cherokee Preservation Grant	XXXX	XXXX	-	19,926
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund				
NC Lottery Proceeds	XXXX	XXXX	-	447,641
<u>N.C. Department of Corrections</u>				
Division of Community Corrections				
Criminal Justice Partnership Program	XXXX	XXXX	-	46,432
Bulletproof Vest Partnership	XXXX	XXXX	-	1,920
Total N.C. Department of Corrections	XXXX	XXXX	-	48,352
Total State Assistance			\$ 34,475,939	\$ 16,674,750

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. Loans Outstanding

Macon County had the following loan balances outstanding at June 30, 2011. These loan balances outstanding are also included in the State expenditures presented in the schedule.

Program Title	Pass-Through Grantor's Number	Amount Outstanding
NC Clean Water Revolving Loan - General Revolving Loan Account	E-SRL-T-02-0051	\$ 1,314,954