

**MACON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2012

MACON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
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	3-5
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	6-8
Schedule of Findings, Responses, and Questioned Costs	9-11
Summary Schedule of Prior Year's Audit Findings	12
Schedule of Expenditures of Federal and State Awards	13-18

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*

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, 2012, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 19, 2012. 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 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*.

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 19, 2012

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

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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

Independent Auditors' Report

Board of Commissioners
Macon County, North Carolina

Compliance

We have audited Macon County'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, 2012. Macon County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, 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, 2012.

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, 2012, which collectively comprise Macon County's basic financial statements, and have issued our report thereon dated October 19, 2012, 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 19, 2012

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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

Independent Auditors' Report

Board of Commissioners
Macon County, North Carolina

Compliance

We have audited Macon County'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, 2012. Macon County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, 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, 2012.

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, 2012, which collectively comprise Macon County's basic financial statements, and have issued our report thereon dated October 19, 2012, 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 19, 2012

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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

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
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$909,123</u>
Auditee qualified as low-risk auditee?	No

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

1. Summary of Auditors' Results (continued)

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:

Program Name

Medicaid Cluster
NC Clean Water Revolving Loan

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012

No prior year findings.

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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	\$ 256,308	\$ -
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	191,320	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infant, & Children	10.557	XXXX	720,397	-
Administration:				
Child and Adult Care food program	10.558	XXXX	17,815	-
Total U.S. Department of Agriculture			1,185,840	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the N.C. Housing Finance Agency:				
Federal HOME Funds	14.239		3,703	-
<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	414,202	-
State Block Grant Program	20.106	36237.1.12.1	23,384	-
	20.106	362442.11.1&2	144,567	-
Federal Transit Administration:				
Passed-Through the N.C. Department of Transportation				
Formula Grants for Other than Urbanized Areas	20.509	36233.68.12.1	43,699	2,731
Formula Grants for Other than Urbanized Areas	20.509	36233.68.12.3	1,629	203
Formula Grants for Other than Urbanized Areas	20.509	36233.68.13.1	109,040	6,815
Formula Grants for Other than Urbanized Areas	20.509	36233.68.13.3	41,562	5,195
Capital Assistance Program for Elderly Persons and Person with Disabilities	20.513	51001.28.1.2	17,172	-
Capital Assistance Program for Elderly Persons and Person with Disabilities	20.513	51001.28.1.3	81,124	10,140
Total U.S. Department of Transportation			876,379	25,084
<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	536997 6C08	46,473	72,280
<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	32,779	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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 Cluster:				
Aging Home-Delivered Nutrition Services for States	93.705	XXXX	9,447	103,688
Aging Congregate Nutrition Services for States	93.707	XXXX	6,671	66,449
Total Aging Cluster:			16,118	170,137
National Family Caregiver Support, Title III, Part E	93.052	XXXX	-	38,262
Total Administration on Aging			16,118	208,399
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	207,022	17,957
Foster Care - Direct Benefit Payments	93.658	XXXX	49,728	14,127
Adoption/Foster Care	93.658	XXXX	47,244	-
Adoption Assistance - Administration	93.659	XXXX	9,809	-
Adoption Assistance - Direct Benefit Payments	93.659	XXXX	143,947	38,510
Total Foster Care and Adoption Cluster			457,750	70,594
Division of Social Services:				
Temporary Assistance for Needy Families Cluster:				
Temporary Assistance for Needy Families (TANF) / Work First - Administration	93.558	XXXX	531,806	-
TANF / Work First - Direct Benefit Payments	93.558	XXXX	6,438	-
AFDC Payments & Penalties/Unemployed Parents	93.560	XXXX	(260)	(71)
CPS TANF to SSBG	93.667	XXXX	70,905	-
Division of Public Health:				
Social Service Block Grant	93.667	XXXX	-	500
Temporary Assistance for Needy Families	93.558	XXXX	1,862	-
Total TANF Cluster:			610,751	429
NC Child Support Enforcement Section:				
IV-D Administration / CSE Incentive Recovery	93.563	XXXX	169,501	-
IV-D Offset Fees - ESC	93.563	XXXX	63	-
IV-D Offset Fees - Federal	93.563	XXXX	825	-
Low-Income Home Energy Assistance Block Grant:				
Administration	93.568		94,427	-
Energy Assistance Payments - Direct Benefit Payments	93.568	XXXX	397	-
Crisis Intervention Program	93.568	XXXX	285,262	-
Child Welfare Services - State Grants -				
Permanency Planning - Families for Kids	93.645	XXXX	9,625	-
SSBG - Other Service and Training	93.667	XXXX	90,416	8,989
LINKS - Administration	93.674	XXXX	3,900	975
Family Preservation - Administration	93.556	XXXX	1,847	-
Division of Aging and Adult Services:				
Division of Social Services:				
SSBG - State In Home Service Fund	93.667	XXXX	8,956	-
SSBG - State Adult Day Care	93.667	XXXX	17,543	15,981
SSBG - Adult Protective Service	93.667	XXXX	13,906	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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: Subsidized Child Care (Note 2) <u>Child Care Development Fund Cluster:</u>				
Division of Social Services:				
Child Care Development Fund - Administration	93.596	XXXX	79,391	609
Total Administration for Children and Families			1,844,560	97,577
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	25,113,574	14,947,420
Division of Public Health:				
Medical Assistance Program	93.778		27,503	10,611
Division of Social Services:				
Administration:				
Medical Assistance Program	93.778	XXXX	478,009	8,773
Total Medicaid Cluster:			25,619,086	14,966,804
State Children's Insurance Program - N.C. Health Choice	93.767	XXXX	24,312	1,470
Total Centers for Medicare and Medicaid Services			25,643,398	14,968,274
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	45,405	10,200
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	23,126	-
Maternal and Child Health Services Block Grant	93.994	XXXX	46,920	185,194
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	XXXX	22,288	-
The Patient Protection and Affordable Care Act of 2010	93.531	XXXX	8,869	-
AARA Preventing Healthcare-Associated Infections	93.717	XXXX	2,648	-
Public Health Emergency Preparedness	93.069	XXXX	39,367	-
Family Planning Services	93.217	XXXX	26,580	-
Total Health Resources and Services Administration			169,798	185,194
Low-Income Home Energy Assistance Program Funds:				
Weatherization Services	93.568	G-10B1NCLIEA	5,841	-
HARRP Services	93.568	G-10B1NCLIEA	88,836	-
Total U.S. Department of Health and Human Services			27,813,956	15,469,643
Department of Energy				
Office of Energy Efficiency and Renewable Energy:				
Weatherization Assistance for Low-Income Persons	81.042	DE-FG26-07NT43134	87,210	-
Weatherization Assistance for Low-Income Persons - ARRA Funds	81.402	XXXX	124,821	-
Total Department of Energy			212,031	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<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.S. Department of Housing and Urban Development:				
Passed-Through N.C. Department of Commerce:				
Division of Community Assistance:				
N.C. Small Cities - CDBG Scattered Site 10-C-2124	14.228	10-C-2124	132,953	-
Total Federal Assistance			30,304,114	15,567,008
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 - Direct Benefit Payments	XXXX	XXXX	-	188,803
Division of Social Services:				
Administration:				
AFDC Incent/Prog Integrity	XXXX	XXXX	-	36
Energy Assist Private Grants	XXXX	XXXX	-	10,420
Direct Benefit Payments:				
State Foster Home	XXXX	XXXX	-	6,235
CWS Adopt Subsidy & Vendor	XXXX	XXXX	-	13,101
SFHF Maximization	XXXX	XXXX	-	10,123
Foster Care Special Provision	XXXX	XXXX	-	3,945
Total Division of Social Services			-	232,663
Division of Public Health:				
Community Transformation Grant	XXXX	XXXX	-	8,869
General	XXXX	XXXX	-	82,370
Food and Lodging Fees	XXXX	XXXX	-	7,470
Environmental Health	XXXX	XXXX	-	4,000
General Communicable Disease Control	XXXX	XXXX	-	10,678
Tuberculosis	XXXX	XXXX	-	1,580
Center for Health Stats	XXXX	XXXX	-	400
Risk Reduction/ Health Promotion	XXXX	XXXX	-	8,070
TB Medical Services	XXXX	XXXX	-	540
WHSF	XXXX	XXXX	-	7,000
HWTF-Teen Tobacco	XXXX	XXXX	-	52,092
HWT-DPH TRU Sustainability Project	XXXX	XXXX	-	12,533
NC Certified Well Contractor Training	XXXX	XXXX	-	3,838
Total Division of Public Health			-	199,440
Passed through the Region A Partnership for Children:				
Smart Start Grant	XXXX	XXXX	-	37,406
NC Health and Trust Fund Commission:				
NC Health and Wellness-Tobacco	XXXX	XXXX	-	51,962
Division of Medical Assistance:				
Medicaid Enhancement Funds	XXXX	XXXX	-	163,785
Total N.C. Department of Health and Human Services			-	685,256
<u>N.C. Department of Administration</u>				
Veterans Service	XXXX	XXXX	-	1,452

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<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. Department of Crime Control and Public Safety</u>				
Division of Emergency Management				
Governor's Crime Commission				
Crisis Housing Assistance Funds	XXXX	XXXX	-	78,973
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Waste Management:				
DWM-Scrap Tire Fund-SWMGT	XXXX	536961 6770	-	53,194
DWM-Electronics Management	XXXX	536961 2395	-	2,631
Division of Environmental Health:				
DEH-Food/Lodging Fee Collection	XXXX	536961 14754752FL01	-	750
Division of Environmental Assistance:				
PPA- Off Waste Red Trust Fund (PPA)	XXXX	EPA4735897	-	13,624
Division of Water Quality:				
NC Clean Water Revolving Loan - General Revolving Loan Account (Note 3)	XXXX	E-SRL-T-02-0051	-	728,296
Total N.C. Department of Environment and Natural Resources			-	798,495
<u>N.C. Department of Transportation</u>				
ROAP-Work-First	XXXX	WBS#36236.11.3.1	-	12,269
ROAP-Rural General Public	XXXX	WBS#36228.22.4.1	-	54,183
ROAP-Elderly and Disabled Transportation	XXXX	WBS#36220.10.4.1	-	62,489
Emergency Preparedness Grant	XXXX	XXXX	-	39,367
Total N.C. Department of Transportation			-	168,308
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund				
NC Lottery Proceeds	XXXX	XXXX	-	423,385
<u>N.C. Rural Economic Development Center</u>				
Clean Water Partner's Infrastructure Fund	XXXX	2010-003-40101-112	-	14,928
<u>N.C. Department of Corrections</u>				
Division of Community Corrections				
Criminal Justice Partnership Program	XXXX	XXXX	-	32,165
Bulletproof Vest Partnership	XXXX	XXXX	-	7,349
Total N.C. Department of Corrections	XXXX	XXXX	-	48,352
<u>N.C. Housing Finance Agency</u>				
House Trust Fund (HTF SA 2009)				
Urgent Repair Program 2011 Project # 9119987	XXXX	9119987	-	75,000
Total State Assistance			-	2,294,149
Total Federal and State Assistance			<u>\$ 30,304,114</u>	<u>\$ 17,861,156</u>

MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<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>
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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, 2012. These loan balances outstanding also have the current year drawn down portion included in the State expenditures presented in the schedule above.

<u>Program Title</u>	<u>Pass-Through Grantor's Number</u>	<u>Amount Outstanding</u>
NC Clean Water Revolving Loan - General Revolving Loan Account	E-SRL-T-02-0051	\$ 1,941,088