

**MACON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2017

MACON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2017

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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, 2017, 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 8, 2017. The financial statements of the Macon County Airport Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Macon County’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Macon County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 8, 2017

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

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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures Of Federal And State Awards Required By the Uniform Guidance And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Macon County
Franklin, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Macon County's major federal programs for the year ended June 30, 2017. Macon County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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, 2017.

Report On Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2017-001 and 2017-002 that we consider to be material weaknesses.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

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

We have audited the financial statements of governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Macon County's basic financials statements. We issued our report thereon dated December 8, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County's basic financial statements.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
December 8, 2017

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

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Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures Of Federal And State Awards Required By the Uniform Guidance; And the State Single Audit Implementation Act

Independent Auditor’s Report

To the Board of Commissioners
Macon County
Franklin, North Carolina

Report On Compliance for Each Major State Program

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Macon County's major State programs for the year ended June 30, 2017. Macon County’s major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Macon County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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, 2017.

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 the Uniform Guidance, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2017-001 and 2017-002 to be material weaknesses.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements. We issued our report thereon dated December 8, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County's basic financial statements.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 8, 2017

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes
- Significant deficiency(s) identified? 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 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778, 93.775, 93.777
Child Care Development Fund Cluster/ Subsidized Child Care Cluster	93.575, 93.596, 93.558, 93.658
Airport Improvement Program	20.106
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$1,180,594</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, 2017

Section I. Summary of Auditor's Results

State Awards

Internal control over major State programs:

- Material weakness(es) identified? Yes
- Significant deficiency(s) identified? 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? Yes

Identification of major State programs:

Program Name

Medicaid Cluster
 Subsidized Child Care Cluster

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section II. Financial Statement Findings

None reported

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Grant Number: XIX-MAP17

Finding: 2017-001

MATERIAL WEAKNESS

Criteria: In accordance with 42 CFR 435 Management should have an adequate system of internal control procedures in place to ensure that active casefiles are eligible for benefits and that closed casefiles are terminated or re-determined on a timely basis.

Condition: One applicant had changes in SSI benefits and continued to receive benefits while terminated or on hold. The same applicant had been terminated from SSI but was not listed on a termination report. The file did not have documentation of redetermination and the applicant continued to receive benefits. Upon further review, the applicant was eligible to receive Medicaid benefits through eligibility in another program.

Context: Of the 3,906 casefiles, we examined 80 and we determined that the above condition applied to one applicant (1.25%). The applicant had been terminated from SSI but the certification period was not shortened, the County did not have evidence in the case file, and the applicant continued to receive benefits. The applicant did not appear on a termination report. The applicant was still income eligible for full coverage Medicaid benefits.

Effect: Participant could receive benefits they are not eligible to receive due to change in SSI benefits.

Cause: Caseworker did not have proper documentation of the status of SSI benefits in the casefile. Caseworker did not work termination report or NCFast task notifications in a timely manner.

Questioned Costs: The finding represents an internal control issue; therefore, no questioned costs are applicable. Upon further review, the applicant was eligible to receive benefits.

Recommendation: Caseworkers should review the status of SSI cases and ensure documentation of SSI terminations or holds are contained in the casefile. Termination reports and NCFast task notifications should be reviewed promptly when received to determine if the case should be re-determined or terminated.

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

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Child Care Development Fund Cluster/Subsidized Child Care Cluster

CFDA # 93.575, 93.576, 93.658, 93.558

Grant Number: G1701NCCCDF

Finding: 2017-002

MATERIAL WEAKNESS

Criteria: In accordance with 2 CFR 200, management must have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided is within program requirements. Management must monitor activities under Federal awards to assure compliance with Federal requirements.

Condition: The County Department of Social Services did not have a system in place to perform second party reviews for the Child Care Development Fund Cluster/Subsidized Care Cluster.

Context: While performing tests of internal control over compliance on the programs listed above, we noted the above condition.

Effect: Casefiles could be missing the required eligibility determination documentation, which could allow benefits to be provided to individuals who are not eligible.

Cause: Second party review procedures are not being performed by management for the Child Care Development Fund Cluster/Subsidized Care Cluster.

Questioned Costs: The finding represents an internal control issue; therefore, no questioned costs are applicable.

Recommendation: Management should strengthen the County's policy for performing second party reviews to include all DHHS programs. Evidence of documentation of reviews should be retained and include signatures of all parties involved during the review. Any deficiencies noted during the review should be corrected within a timely manner and documented as such.

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

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section IV. State Award Findings and Questioned Costs

N.C. Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

Finding: 2017-001– Management should have an adequate system of internal control procedures in place to ensure that active casefiles are eligible for benefits and that closed casefiles are terminated or re-determined timely. See Finding 2017-001 in Section III – Federal Award Findings and Questioned Costs.

N.C. Department of Health and Human Services

Program Name: Subsidized Childcare Cluster

Finding 2017-002- In accordance with 2 CFR 200, management must have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided is within program requirements. Management must monitor activities under State awards to assure compliance with State requirements. See finding 2017-002 in Section III- Federal Award Findings and Questioned Costs.

Macon County



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

None reported.

3. Federal Award Findings and Questioned Costs

Finding 2017-001

Name of Contact Person: Sheila Conley

Corrective Action/Management's Response: Team leader or supervisor will check each morning to establish if there are any SSI terminations from Social Security tasks in the queue. Team leader will log each task and assign to worker that has that alphabet. The worker has four (4) months to react to the changes in the case. The worker must reevaluate through on-line verification each case to see if SSI has been reinstated or if the client is eligible under another Medicaid program within the four (4) month timeframe. The worker must act upon changes of the case whether to terminate or process under another program. The worker must notify the team leader when the task is completed so that it can be indicated on the log that the task is completed. Team leader will review logs weekly. If the worker fails to notify the team leader or supervisor by the 3rd month, the team leader or supervisor will contact the worker and find out the status of the case. The team leader will second-party these reviews if there are any questions or problems with the cases.

Proposed Completion Date: Immediately and ongoing

Finding 2017-002

Name of Contact Person: Sheila Conley

Corrective Action/Management's Response: Team leader or supervisor will conduct second-party reviews each month. A quantity of three (3) cases per month will be reviewed. This action will be logged on a log that is kept each month by the lead worker. Southwestern Child Development Commission (SWCDC) is available for QC feedback to child case subsidy worker at DSS. SWCDC will also continue to second-party and QC cases on a regular basis for Macon County DSS. SWCDC will periodically notify Macon County DSS if quality assurance issues arise.

Proposed Completion Date: Immediately and ongoing

4. State Award Findings and Questioned Costs

Finding 2017-001

See Finding 2017-001 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding 2017-002

See Finding 2017-002 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

No prior year findings reported

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
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:					
<u>Supplemental Nutrition Assist. Program Cluster:</u>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	175NC406S2514	\$ 401,773	\$ -	\$ -
Passed through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, & Children Direct Benefit Payments:	10.557	SNC700705	216,289	-	-
WIC Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	SNC700705	704,205	-	-
Total U.S. Department of Agriculture			<u>1,322,267</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>					
Passed through the N.C. Housing Finance Agency:					
Home Investment Partnerships Program	14.239	SFR-14	57,830	-	-
<u>U.S. Department of Transportation:</u>					
Federal Transit Administration:					
Passed through the N.C. Department of Transportation					
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.28.3.2	62,535	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.28.3.3	46,800	5,850	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.45.2.2	21,740	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51000.27.1.2	26,719	-	-
Total Transit Services Programs Cluster			<u>157,794</u>	<u>5,850</u>	<u>-</u>
Passed through the N.C. Department of Transportation					
Formula Grants for Rural Areas	20.509	36233.68.18.1	114,253	7,140	-
Formula Grants for Rural Areas	20.509	36233.68.18.4	2,291	286	-
Formula Grants for Rural Areas	20.509	36233.68.16.3	43,767	5,472	-
Formula Grants for Rural Areas	20.509	36233.68.18.3	116,153	14,519	-
Formula Grants for Rural Areas	20.509	36233.68.17.3	159,715	9,275	-
Formula Grants for Rural Areas	20.509	36233.68.17.1	41,047	2,565	-
Formula Grants for Rural Areas	20.509	51081.5.1.2 & 51081.5.1.3	24,565	-	-
Federal Aviation Administration:					
Passed through the N.C. Department of Transportation					
Airport Improvement Program	20.106	36237.1.14.2	928,012	-	-
Airport Improvement Program	20.106	36237.1.14.3	11,356	-	-
Airport Improvement Program	20.106	36237.1.15.1	125,074	-	-
Airport Improvement Program	20.106	36237.1.11.3	168,552	-	-
Total U.S. Department of Transportation			<u>1,892,579</u>	<u>45,107</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>					
Passed through the N.C. Department of Crime Control and Public Safety:					
Federal Emergency Management Agency:					
Emergency Management Performance Grants	97.042	EMPG-2016-37113	38,584	-	-
<u>U.S. Department of Health and Human Services</u>					
Administration for Community Living:					
Division of Aging and Adult Services:					
Passed through Centralina Council of Governments:					
Southwestern Economic and Development Commission					
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	536334	10,837	110,946	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	536333	9,417	83,134	-
National Family Caregiver Support, Title III, Part E	93.052	536338	-	36,889	-
Total Administration for Community Living			<u>20,254</u>	<u>230,969</u>	<u>-</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Administration for Children and Families:					
Passed through the N.C. Department of Health and Human Services:					
Division of Social Services:					
Foster and Adoption Cluster (Note 3):					
Foster Care_ Title IV-E - Administration	93.658	1701NCFOST	160,538	20,104	-
Foster Care_ Title IV-E - Direct Benefit Payments	93.658	1701NCFOST	191,657	45,512	-
Foster Care_ Title IV-E	93.658	1701NCFOST	34,421	-	-
Adoption Assistance - Administration	93.659	1701NCADPT	19,609	-	-
Adoption Assistance - Direct Benefit Payments	93.659	1701NCADPT	164,237	40,549	-
Total Foster Care and Adoption Cluster			<u>570,462</u>	<u>106,165</u>	<u>-</u>
Division of Social Services:					
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for Needy Families /					
Work First - Administration	93.558	1701NCTANF	466,249	-	-
Temporary Assistance for Needy Families /					
Work First - Direct Benefit Payments	93.558	1701NCTANF	51,188	1,370	-
Temporary Assistance for Needy Families State Program	93.558	1701NCTANF	1,796	-	-
Total TANF Cluster			<u>519,233</u>	<u>1,370</u>	<u>-</u>
NC Child Support Enforcement Section:					
Child Support Enforcement - Administration / CSE Incentive Recovery	93.563	1704NC4005	213,873	-	-
Child Support Enforcement - Offset Fees - ESC	93.563	1704NC4005	14	2	-
Child Support Enforcement - Offset Fees - Federal	93.563	1704NC4005	505	-	-
Low-Income Home Energy Assistance Block Grant:					
Low Income Home Energy Assistance - Administration	93.568	G17B1NCLIEA	163,041	-	-
Low Income Home Energy Assistance - Crisis Intervention Program	93.568	G17B1NCLIEA	135,531	-	-
Child Welfare Services - State Grants					
Stephanies Tubbs Jones Child Welfare Service Program	93.645	G1701NCCWSS	11,339	-	-
Social Services Block Grant - Other Service and Training	93.667	G1701NCSOSR	78,570	2,514	-
Chafee Foster Care Independence Program - Administration	93.674	1701NC1420	4,308	1,077	-
Promoting Safe and Stable Families - Administration	93.556	1701NCFPSS	12,051	-	-
Division of Aging and Adult Services:					
Division of Social Services:					
Social Services Block Grant - State In Home Service Fund	93.667	G1701NCSOSR	12,054	-	-
Social Services Block Grant - State Adult Day Care	93.667	G1701NCSOSR	19,716	14,915	-
Social Services Block Grant - Adult Protective Service	93.667	G1701NCSOSR	22,596	-	-
Social Services Block Grant - CPS TANF	93.667	G1701NCSOSR	71,150	-	-
Division of Energy, Mineral and Land Resources:					
Low-Income Home Energy Assistance	93.568	6940	14,331	-	-
Low-Income Home Energy Assistance	93.568	6940	<u>31,308</u>	<u>-</u>	<u>-</u>
Division of Child Development:					
Subsidized Child Care (Note 3)					
Child Care Development Block Grant Cluster:					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1701NCCCDF	80,340	-	80,340
Division of Child Development:					
Child Care and Development Block Grant - Discretionary	93.575	G1701NCCCDF	625,845	-	625,845
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	G1701NCCCDF	243,271	-	243,271
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	G1701NCCCDF	149,726	38,151	187,877
Total Child Care Development Block Grant Cluster			<u>1,099,182</u>	<u>38,151</u>	<u>1,137,333</u>
Temporary Assistance for Needy Families					
Foster Care Title IV-E	93.658	1701NCFOST	19,843	9,903	29,746
Smart Start		536142	-	119	119
State Appropriations		536142	-	70,277	70,277
TANF-MOE		536142 & 536146	-	167,432	167,432
Total Subsidized Child Care Cluster			<u>1,307,151</u>	<u>285,882</u>	<u>1,404,907</u>
Total Administration for Children and Families			<u>3,187,233</u>	<u>411,925</u>	<u>1,404,907</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
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	XIX-MAP17	29,964,945	16,015,126	-
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	XIX-MAP17	<u>1,072,609</u>	<u>1,352</u>	-
Total Medicaid Cluster			31,037,554	16,016,478	-
Division of Medical Assistance:					
Direct Benefit Payments:					
Children's Health Insurance Program - N.C. Health Choice	93.767	CHIP17	1,060,384	4,361	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	CHIP17	<u>54,595</u>	<u>76</u>	-
Total State Children's Insurance Program			1,114,979	4,437	-
Total Centers for Medicare and Medicaid Services			<u>32,152,533</u>	<u>16,020,915</u>	-
Centers for Disease Control and Prevention:					
Passed through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Hospital Preparedness Program (HPP) and Public Health Emergency					
Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680	37,850	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	1313----SW	15,258	-	-
Project Grants and Cooperative Agreements for					
Tuberculosis Control Programs	93.116	1460----NF	50	-	-
Injury Prevention and Control Research and State and Community					
Based Programs	93.136	1175----DH	159	-	-
Immunization Cooperative Agreements	93.268	1331631DEJ	7,854	-	-
National State Based Tobacco Control Program	93.305	1271----ST	75,106	-	-
PPHF Capacity Building Assistance to Strengthen Public Health					
Immunization Infrastructure and Performance financed in part by					
Prevention and Public Health funds	93.539	1331----VP	11,120	-	-
State and Local Public Health Actions to Prevent Obesity,					
Diabetes, Heart Disease and Stroke (PPHF)	93.757	1271P3 & 1271P6 & 126CP3 & 126CP6	336,977	-	-
Preventive Health and Health Services Block Grant funded					
solely with Prevention and Public Health Funds (PPHF)	93.758	12615503PF	26,708	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal					
Organizations financed in part by Prevention and Public Health Funds	93.752	1320----JS	<u>15,555</u>	-	-
HIV Cluster (Note 3):					
HIV Prevention Activities_Health Department Based	93.940	1311----HV	2,539	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	1311----NB	<u>849</u>	-	-
Total HIV Cluster			<u>3,388</u>	-	-
Total Centers for Disease Control and Prevention			<u>530,025</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 to the States	93.994	1271----AP & 13A1----AP	<u>36,480</u>	<u>27,363</u>	-
Office of Population Affairs:					
Passed through N.C. Department of Health and Human Services:					
Office of Population Affairs					
Family Planning Services	93.217	13A1----FP	<u>23,425</u>	-	-
Administration for Community Living					
Passed through N.C. Department of Insurance:					
State Health Insurance Assistance Program	93.324	SHIIP 2017	4,138	-	-
Medicare Enrollment Assistance Program	93.071	SHIIP 2017	<u>2,144</u>	-	-
Total U.S. Department of Health and Human Services			<u>35,956,232</u>	<u>16,691,172</u>	<u>1,404,907</u>
U.S. Department of Energy					
Passed through N.C. Department of Environmental Quality					
Division of Energy, Mineral & Land Resources					
Office of Energy Efficiency and Renewable Energy:					
Weatherization Assistance for Low-Income Persons	81.042	6940	<u>53,030</u>	-	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	341057057	7,156	-	-
Equitable Sharing Program	16.922	NC0570000	25,454	-	-
Total U.S. Department of Justice			32,610	-	-
Total Federal Assistance			39,353,132	16,736,279	1,404,907
State Awards					
N.C. Department of Health and Human Services					
Division of Aging and Adult Services:					
Division of Social Services:					
State/County Special Assistance for Adults - Direct Benefit Payments			-	178,347	-
Division of Social Services:					
Administration:					
ST Child Welfare/ CPS/CS LD			-	14,951	-
Energy Assist Private Grants			-	6,239	-
Direct Benefit Payments:					
State Foster Home			-	6,392	-
CWS Adopt Subsidy & Vendor			-	25,384	-
SAA/SAD HB 1030			-	9,503	-
F/C At Risk Maximization			-	3,205	-
Total Division of Social Services			-	244,021	-
Division of Public Health:					
Other Receipts / State Supported Expenditures					
General Aid to Counties		1161411000	-	123,141	-
Food and Lodging Fees		11534752SZ	-	17,168	-
General Communicable Disease Control		1175451000	-	10,678	-
Tuberculosis		1460455100	-	1,580	-
Child Health		1271574500	-	465	-
Sexually Transmitted Diseases		13114601	-	63	-
Minority Health Closing the Gap		1262417900	-	150,861	-
TB Medical Service		1460455400	-	540	-
School Nurse Funding Initiative		1332535800	-	150,000	-
HIV/STD State		13114536BN	-	100	-
HIV/STD SSBG Aid		13114536RR	-	400	-
HMHC-Family Planning		13A1573500	-	3,057	-
Maternal Health (HMHC)		13A1574000	-	5,713	-
Breast and Cervical Cancer Program		1320559900	-	10,710	-
Women's Health Service Fund		13A16017FR	-	7,337	-
Total Division of Public Health			-	481,813	-
Division of Medical Assistance:					
Medicaid Enhancement Funds			-	112,393	-
Division of Child Development:					
Passed through the Region A Partnership for Children:					
Smart Start Grant		2017-226	-	24,957	-
Total N.C. Department of Health and Human Services			-	863,184	-
N.C. Department of Military and Veterans Affairs					
Veterans Service		NCDMVA2017	-	2,130	-
N.C. Department of Public Safety					
Division of Juvenile Justice					
Juvenile Crime Prevention Council		157-10345	-	34,029	34,029
Juvenile Crime Prevention Council		157-10171	-	26,390	26,390
Juvenile Crime Prevention Council		157-10324	-	26,630	26,630
Juvenile Crime Prevention Council		157-11447	-	2,275	-
Total N.C. Department of Public Safety			-	89,324	87,049
N.C. Department of Environmental Quality					
Division of Waste Management:					
Capital Improvements White Goods Disposal Account		SWWG03082017	-	4,313	-
Scrap Tire Disposal Grant		SWS836 & SWS870	-	24,475	-
Electronics Management Fund		ELEC017051	-	2,580	-
Total N.C. Department of Environmental Quality			-	31,368	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<u>N.C. Department of Transportation</u>					
<u>ROAP Cluster:</u>					
ROAP Work First Transitional - Employment		36236.11.6.1	-	10,223	-
ROAP Rural General Public Program		36228.22.7.1	-	67,771	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.7.1	-	63,356	-
Total ROAP Cluster			-	141,350	-
Total N.C. Department of Transportation			-	141,350	-
<u>N.C. Department of Agriculture</u>					
The Disaster Recovery Act of 2016		Session Law 2016-124	-	245,997	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund NC Lottery Proceeds		LEA 560	-	297,695	297,695
<u>N.C. Department of Revenue</u>					
Unauthorized Substance Taxes		Chapter 105 - Article 2D	-	5,637	-
<u>N.C. Clean Water Management Trust Fund</u>					
Clean Water Management Trust Fund		2008-405A	-	70,445	-
<u>N.C. Department of Commerce</u>					
Division of Rural Economic Development: Building Reuse program		2017-065-3201-2587	-	187,500	187,500
<u>N.C. Housing Finance Agency</u>					
NC Housing Trust Fund Urgent Repair Program		URP1619	-	72,149	-
Total State Assistance			-	2,006,779	572,244
Total Federal and State Assistance			\$ 39,353,132	\$ 18,743,058	\$ 1,977,151

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

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of Macon County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Macon County, it is not intended to and does not present the financial position, changes in net position or cash flows of Macon County.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Macon County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Cluster of Programs

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