

**MACON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2016

MACON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2016

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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, 2016, 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 November 30, 2016. The financial statements of the Macon County Airport Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Macon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing; and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 30, 2016

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 OMB 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, 2016. Macon County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Macon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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, OMB 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 Programs

In our opinion, Macon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report On Internal Control Over Compliance

Management of Macon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Macon County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB 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, 2016, and the related notes to the financial statements, which collectively comprise Macon County's basic financials statements. We issued our report thereon dated November 30, 2016, 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 OMB 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
November 30, 2016

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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 OMB 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, 2016. Macon County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Macon County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of 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 Programs

In our opinion, Macon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2016.

Report On Internal Control Over Compliance

Management of Macon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Macon County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB 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 of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB 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, 2016, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements. We issued our report thereon dated November 30, 2016, 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
November 30, 2016

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

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? No
- 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)? No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778, 93.775, 93.777

Dollar threshold used to distinguish between Type A and Type B programs \$1,130,155

Auditee qualified as low-risk auditee? Yes

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Section I. Summary of Auditor's Results

State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- 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? No

Identification of major State programs:

Program Name

Medical Assistance Program
NC Parks & Recreation Trust Fund

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – State Award Findings and Questioned Costs

None reported

MACON COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

No prior year findings

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

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	WC302	\$ 369,293	\$ -	\$ -
Passed through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	5NC700705	176,421	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	5NC700705	749,804	-	-
Total U.S. Department of Agriculture			<u>1,295,518</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	28,657	-	-
U.S. Department of Transportation:					
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	51001.28.2.2	50,882	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.28.2.3	2,707	339	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.45.2.2	55,135	-	-
New Freedom Program	20.521	51000.27.1.2	20,333	-	-
Total Transit Services Programs Cluster			<u>129,057</u>	<u>339</u>	<u>-</u>
Passed through the N.C. Department of Transportation					
Formula Grants for Rural Areas	20.509	36233.68.16.1	117,707	7,356	-
Formula Grants for Rural Areas	20.509	36233.68.17.3	16,939	14,201	-
Formula Grants for Rural Areas	20.509	51081.5.1.2	13,695	-	-
Formula Grants for Rural Areas	20.509	36233.68.16.3	46,461	5,808	-
Formula Grants for Rural Areas	20.509	36233.68.17.1	109,540	6,846	-
Formula Grants for Rural Areas	20.509	51081.5.1.2 & 51081.5.1.3	38,260	-	-
Passed through the National Highway Traffic Safety Administration					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	52015.5.17	21,927	-	-
Total Highway Safety Cluster			<u>21,927</u>	<u>-</u>	<u>-</u>
Federal Aviation Administration:					
Passed through the N.C. Department of Transportation					
Airport Improvement Program	20.106	36237.1.14.2	217,454	-	-
Airport Improvement Program	20.106	36237.1.14.3	101,651	-	-
Total U.S. Department of Transportation			<u>812,691</u>	<u>34,550</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>					
Passed through the N.C. Department of Crime Control and Public Safety:					
Division of Emergency Management:					
Emergency Management Performance Grants	97.042	EMPG-2015-37113	38,174	-	-
<u>U.S. Department of Health and Human Services</u>					
Administration on Aging:					
Division of Aging and Adult Services:					
Passed through Centralina Council of Governments:					
Southwestern Economic and Development Commission					
Aging Home-Delivered Nutrition Services for States	93.045	536334	11,112	108,344	-
Aging Congregate Nutrition Services for States	93.045	536333	8,468	74,109	-
National Family Caregiver Support, Title III, Part E	93.052	536338	-	40,169	-
Total Administration on Aging			<u>19,580</u>	<u>222,622</u>	<u>-</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

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	WC302	154,028	41,417	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	WC302	161,977	16,366	-
Foster Care Title IV-E	93.658	WC302	32,014	-	-
Adoption Assistance - Administration	93.659	WC302	13,370	-	-
Adoption Assistance - Direct Benefit Payments	93.659	WC302	165,504	42,308	-
Total Foster Care and Adoption Cluster			<u>526,893</u>	<u>100,091</u>	<u>-</u>
Division of Social Services:					
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for Needy Families /					
Work First - Administration	93.558	WC302	391,483	-	-
Temporary Assistance for Needy Families /					
Work First - Direct Benefit Payments	93.558	WC302	2,091	-	-
Temporary Assistance for Needy Families State Program	93.558	WC302	1,570	-	-
Total TANF Cluster			<u>395,144</u>	<u>-</u>	<u>-</u>
NC Child Support Enforcement Section:					
Child Support Enforcement - Administration / CSE Incentive Recovery	93.563	WC302	187,681	-	-
Child Support Enforcement - Offset Fees - ESC	93.563	WC302	10	-	-
Child Support Enforcement - Offset Fees - Federal	93.563	WC302	665	-	-
Low-Income Home Energy Assistance Block Grant:					
Low Income Home Energy Assistance - Administration	93.568	WC302	177,034	-	-
Low Income Home Energy Assistance - Crisis Intervention Program	93.568	WC302	163,331	-	-
Child Welfare Services - State Grants					
Stephanies Tubbs Jones Child Welfare Service Program	93.645	WC302	12,501	-	-
Social Services Block Grant - Other Service and Training	93.667	WC302	78,522	14,456	-
Chafee Foster Care Independence Program - Administration	93.674	WC302	4,294	1,074	-
Chafee Foster Care Independent Program - Direct Benefit Payments	93.674	WC302	1,421	-	-
Promoting Safe and Stable Families - Administration	93.556	WC302	10,115	-	-
Division of Aging and Adult Services:					
Division of Social Services:					
Social Services Block Grant - State In Home Service Fund	93.667	WC302	11,055	-	-
Social Services Block Grant - State Adult Day Care	93.667	WC302	18,752	16,939	-
Social Services Block Grant - Adult Protective Service	93.667	WC302	9,785	-	-
Social Services Block Grant - CPS TANF	93.667	WC302	69,605	-	-
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	WC302	71,135	-	71,135
Division of Child Development:					
Child Care and Development Block Grant -- Discretionary	93.575	LISTPAY2	673,488	-	673,488
Child Care Mandatory and Matching Funds of the Child Care and Development Fund -- Mandatory	93.596	LISTPAY2	225,171	-	225,171
Child Care Mandatory and Matching Funds of the Child Care and Development Fund -- Match	93.596	LISTPAY2	106,119	12,051	118,170
Total Child Care Development Block Grant Cluster			<u>1,075,913</u>	<u>12,051</u>	<u>1,087,964</u>
Temporary Assistance for Needy Families Cluster					
Foster Care Title IV-E	93.558	LISTPAY2	196,210	-	-
State Appropriations	93.658	LISTPAY2	14,468	7,416	7,416
TANF-MOE		LISTPAY2	-	104,451	104,451
Total Subsidized Child Care Cluster			<u>1,286,591</u>	<u>253,672</u>	<u>1,329,585</u>
Passed through the Region A Partnership for Children:					
Smart Start Grant		2016-226	-	44,000	-
Total Administration for Children and Families			<u>2,953,399</u>	<u>430,232</u>	<u>1,329,585</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

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	WC302	29,595,846	16,044,829	-
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	WC302	958,338	1,019	-
Total Medicaid Cluster			<u>30,554,184</u>	<u>16,045,848</u>	<u>-</u>
Division of Medical Assistance:					
Direct Benefit Payments:					
Children's Health Insurance Program - N.C. Health Choice	93.767	DMA2016	990,775	55,963	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	WC302	41,719	1,925	-
Total State Children's Insurance Program			<u>1,032,494</u>	<u>57,888</u>	<u>-</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations					
	93.779	SHIIP 2016	5,576	-	-
Total Centers for Medicare and Medicaid Services			<u>31,592,254</u>	<u>16,103,736</u>	<u>-</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	3U90TP000538-03S2 & SU90TP000538-02	47,125	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation Project Grants and Cooperative Agreements for Tuberculosis Control Programs					
	93.094	1U58DP004872-04	18,723	-	-
	93.116	1U52PS004698-02	43	-	-
	93.268	H23IP000759-04	14,515	-	-
	93.305	NU58DP005974	76,737	-	-
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)					
	93.757	5NU58DP005468-02-00 & 5NU58DP005468-03-00	440,331	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)					
	93.758	2B01OT009034-15	36,615	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs					
	93.919	5NU58DP003933-05	19,385	-	-
	93.940	5U62PS003658-05	2,000	-	-
HIV Prevention Activities Health Department Based					
	93.977	5H25PS004349-03 & 5H25PS004349-04	269	-	-
Total Centers for Disease Control and Prevention			<u>655,743</u>	<u>-</u>	<u>-</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	B04MC29320	55,624	26,918	-
Office of Population Affairs:					
Passed through N.C. Department of Health and Human Services:					
Office of Population Affairs					
Family Planning Services	93.217	FPHPA046226-02-00	22,774	-	-
Administration for Children and Families:					
Low-Income Home Energy Assistance:					
Weatherization Services	93.568	15B1NCLIEA & 16B1NCLIEA	92,444	-	-
Low-Income Home Energy Assistance:					
HARRP Services	93.568	15B1NCLIEA & 16B1NCLIEA	49,819	-	-
Total Administration for Children and Families			<u>142,263</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>35,441,637</u>	<u>16,783,508</u>	<u>1,329,585</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

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 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	DE-EE0006173	26,385	-	-
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	N/A	4,843	-	-
Equitable Sharing program	16.922	N/A	23,941	-	-
Total U.S. Department of Justice			28,784	-	-
Total Federal Assistance			37,671,846	16,818,058	1,329,585
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	XXXX	WC302	-	192,685	-
Division of Social Services:					
Administration:					
AFDC Incent/Prog Integrity	XXXX	WC302	-	229	-
ST Child Welfare/ CPS/CS LD	XXXX	WC302	-	28,387	-
Energy Assist Private Grants	XXXX	WC302	-	8,688	-
Direct Benefit Payments:					
State Foster Home	XXXX	WC302	-	12,923	-
CWS Adopt Subsidy & Vendor	XXXX	WC302	-	24,774	-
SFHF Maximization	XXXX	WC302	-	12,926	-
Total Division of Social Services			-	280,612	-
Division of Public Health:					
Other Receipts / State Supported Expenditures					
General Aid to Counties	XXXX	LISTPAY1/LISTPAY2	-	82,370	-
Food and Lodging Fees	XXXX	LISTPAY1/LISTPAY2	-	18,137	-
General Communicable Disease Control	XXXX	LISTPAY1/LISTPAY2	-	10,678	-
Tuberculosis	XXXX	LISTPAY1/LISTPAY2	-	1,580	-
Child Health	XXXX	LISTPAY1/LISTPAY2	-	465	-
Sexually Transmitted Diseases	XXXX	LISTPAY1/LISTPAY2	-	253	-
TB Medical Service	XXXX	LISTPAY1/LISTPAY2	-	540	-
School Nurse Funding Initiative	XXXX	LISTPAY1/LISTPAY2	-	150,000	-
Public Health Nursing	XXXX	LISTPAY1/LISTPAY2	-	400	-
HIV/STD SSBG Aid	XXXX	LISTPAY1/LISTPAY2	-	500	-
HMHC-Family Planning	XXXX	LISTPAY1/LISTPAY2	-	3,057	-
Maternal Health (HMHC)	XXXX	LISTPAY1/LISTPAY2	-	6,831	-
Breast and Cervical Cancer Program	XXXX	LISTPAY1/LISTPAY2	-	10,200	-
Women's Health Service Fund	XXXX	LISTPAY1/LISTPAY2	-	7,337	-
Total Division of Public Health			-	292,348	-
Division of Medical Assistance:					
Medicaid Enhancement Funds	XXXX	DMA 2016	-	593,477	-
Total N.C. Department of Health and Human Services			-	1,166,437	-
N.C. Department of Military and Veterans Affairs					
Veterans Service	XXXX	NCDMVA2016	-	1,907	-
N.C. Department of Public Safety					
Division of Juvenile Justice					
Juvenile Crime Prevention Programs Counseling Rest	XXXX	157-10345, 157-11447, 157-10324, 157-10171	-	89,324	89,324
N.C. Department of Environmental Quality					
Division of Waste Management:					
Scrap Tire Program-SWMGT	XXXX	SWS774 & SWS807	-	13,383	-
Electronics Management	XXXX	ELEC016042	-	3,315	-
Division of Parks and Recreation					
NC Parks & Recreation Trust Fund	XXXX	#5749	-	500,000	-
Total N.C. Department of Environmental Quality			-	516,698	-

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

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	XXXX	WBS#36236.11.5.1	-	10,592	-
ROAP Rural General Public Program	XXXX	WBS#36228.22.6.1	-	60,213	-
ROAP Elderly and Disabled Transportation Assistance Program	XXXX	WBS#36220.10.6.1	-	56,395	-
Total ROAP Cluster			-	127,200	-
Total N.C. Department of Transportation			-	127,200	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund NC Lottery Proceeds	XXXX	LEA 560	-	290,049	-
<u>N.C. Clean Water Management Trust Fund</u>					
Clean Water Management Trust Fund	XXXX	2008-405A	-	73,170	-
<u>N.C. Department of Commerce</u>					
Division of Rural Economic Development: Building Reuse program	XXXX	2015-096-3201-2538	-	87,777	-
ULRC Program	XXXX	2015-064-2486-1534	-	13,626	-
Total N.C. Department of Commerce			-	101,403	-
<u>N.C. Housing Finance Agency</u>					
NC Housing Trust Fund Urgent Repair Program	XXXX	URP1521	-	100,000	-
Total State Assistance			-	2,466,188	89,324
Total Federal and State Assistance			\$ 37,671,846	\$ 19,284,246	\$ 1,418,909

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, 2016. 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 and Foster Care and Adoption.