

**MACON COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE YEAR ENDED JUNE 30, 2024**

# MACON COUNTY, NORTH CAROLINA

## COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2024

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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 the 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 (*Government Auditing Standards*), 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 the Macon County, North Carolina, as of and for the year ended June 30, 2024, not presented here, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 15, 2024. The financial statements of the Macon County Airport Authority were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Macon County Airport Authority.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses 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 or significant deficiencies may exist that were not identified.

## **Report on 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, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance 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 15, 2024

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

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **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**

#### ***Opinion on Each Major Federal Program***

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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.

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, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Macon County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Macon County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Macon County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Macon County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Macon County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Macon County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Macon County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Macon County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's response to the non-compliance finding identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the 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, 2024, and the related notes to the financial statements, which collectively comprise Macon County's basic financials statements. We issued our report thereon dated November 15, 2024, 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 basic financial statements as a whole.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 15, 2024



# 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**

##### ***Opinion on Each Major State Program***

We have audited Macon County, North Carolina's, compliance with the types of compliance requirements identified as subject to audit 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 state programs for the year ended June 30, 2024. 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.

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, 2024.

##### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Macon County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Macon County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Macon County's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Macon County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Macon County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Macon County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Macon County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Macon County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-001. Our opinion on each major state program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's response to the non-compliance finding identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Macon County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Macon County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the 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, 2024, and the related notes to the financial statements, which collectively comprise Macon County's basic financial statements. We issued our report thereon dated November 15, 2024, 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 as a whole.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 15, 2024

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**Section I. Summary of Auditor's Results**

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***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? Yes

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>AL#</u>
Medicaid Cluster	93.778
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**Section I. Summary of Auditor's Results (continued)**

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*State Awards*

Internal control over major state programs:

- |   |     |
|---|-----|
| • Material weakness(es) identified?     | No  |
| • Significant deficiency(s) identified? | Yes |

Type of auditor's report issued on compliance for major state programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	Yes
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Auditee qualified as low-risk auditee?	Yes
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Identification of major state programs:

**Program Name**

Medicaid Cluster

NC Lottery Fund

State Capital Infrastructure Fund

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**Section II. Financial Statement Findings**

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None reported.

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**Section III. Federal Award Findings and Questioned Costs**

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**U.S. Department of Health and Human Services**

**Passed through the N.C. Department of Health and Human Services, Division of Social Services**

Program Name:

Medicaid Cluster AL#93.778 (XIX-MAP24)

**Finding: 2024-001**

**Significant Deficiency, Non-Material Non-Compliance**  
**Eligibility**

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that casefile evidence is appropriately updated. In accordance with 45 CFR 435, documentation must be maintained to support eligibility determinations.

**Condition:** The County Department of Social Services transposed a number during the income calculation, resulting in income being calculated incorrectly. Upon further review, the applicant was ultimately eligible.

**Context:** Of the 272,823 benefit payments valued at \$108,451,359.92, we examined 60 payment records (\$15,489 value) and determined that one casefile (2%) did not have properly calculated income. Upon further review and recalculation, the applicant was deemed eligible.

**Effect:** Casefile did not have correctly calculated income, which could allow benefits to be provided to individuals who are not eligible.

**Cause:** The caseworker transposed a number in the income calculation resulting in an incorrect income amount being calculated.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable. The County was able to substantiate that the applicant was eligible to receive benefits.

**Recommendation:** Caseworkers should review their eligibility determinations and ensure all information is entered correctly. Calculations should be reviewed for accuracy before approving benefits.

**Views of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**Section IV. State Award Findings and Questioned Costs**

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**N.C. Department of Health and Human Services**  
Medicaid Cluster

**Finding: 2024-001** – In accordance with the 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure the casefiles include properly reviewed income calculations. See more details at Finding 2024-001 in Section III – Federal Award Findings, Responses, and Questioned Costs.





**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2024**

**Medicaid Cluster** AL #93.778 (XIX-MAP24)

**Finding: 2024-001**

**Name of Contact Person:** Sheila Conley, IMS III

**Corrective Action: Significant Deficiency, non-material non-compliance  
Eligibility**

Macon County has updated all worksheets for all Medicaid programs; the worksheets are to verify information of the client before keying the verified information into NC Fast system. We have developed a short worksheet that will calculate earned income; this is to reduce error. All workers must complete a manual budget then compare to the system budget to insure calculations are correct. We continue to training from the Medicaid Manual sections 2250 Income, 2230 Financial Resources, 2260 Financial Eligibility Regulations-PLA. We will also continue second party review at least 10% of the workers cases, 100% of all new workers from three to six months.

**Proposed Completion Date:** Immediately

**MACON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Finding 2023-001:** Corrected

**Finding 2023-002:** Corrected

**Finding 2023-003:** Corrected

**MACON COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b>Federal Awards</b>					
<b><u>U.S. Department of Agriculture</u></b>					
<b>Food and Nutrition Service:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Social Services:</b>					
Administration:					
Supplemental Nutrition Assistance Program Cluster:					
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	245NC406S2514	\$ 10,196	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	245NC406S2514	375,797	-	-
Total Supplemental Nutrition Assistance Program Cluster			385,993	-	-
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Public Health:</b>					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	13A25403/5404/5405/ 5409/570C/570D/570E/570F	178,719	-	-
<b>National Institute of Food and Agriculture:</b>					
Gus Schumacher Nutrition Incentive Grants Program	10.331	2019-70030-30396	29,218	-	-
Passed through the Appalachian Sustainable Agriculture Project:					
Beginning Farmer and Rancher Development Program	10.311	2023-70415-41207	1,099	-	-
<b>Total U.S. Department of Agriculture</b>			595,029	-	-
<b><u>U.S. Department of Housing and Urban Development</u></b>					
<b>Assistant Secretary For Community Planning and Development</b>					
Passed through the N.C. Housing Finance Agency:					
Home Investment Partnerships Program	14.239	ESFRLP23	71,493	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			71,493	-	-
<b><u>U.S. Department of Transportation:</u></b>					
<b>Federal Transit Administration:</b>					
Passed through the N.C. Department of Transportation					
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.45.9.2	85,000	-	-
Total Transit Services Programs Cluster			85,000	-	-
Passed through the N.C. Department of Transportation					
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.68.24.1	174,577	10,911	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	51081.5.5.3, 51081.5.4.3	27,917	3,489	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.68.25.3, 36233.68.25.4, 36233.68.25.5	422,083	52,760	-
			624,577	67,160	-
<b>Federal Aviation Administration:</b>					
Passed through the N.C. Department of Transportation					
Federal Transit Cluster					
Buses and Bus Facilities Formula, Competitive, and Low or No Emission Programs	20.526	44637.65.1.3	613,119	-	-
Total Federal Transit Cluster			613,119	-	-
<b>Federal Aviation Administration:</b>					
Passed through the N.C. Department of Transportation					
COVID-19 Airports, Programs, and Infrastructure Investment and Jobs Act Programs					
	20.106	36237.1.17.2	5,435	-	-
<b>Total U.S. Department of Transportation</b>			1,328,131	67,160	-
<b><u>U.S. Department of Homeland Security</u></b>					
Passed through the N.C. Emergency Management					
Emergency Management Performance Grants	97.042	EMPG-2023-2320056	39,698	-	-
<b>Total U.S. Department of Homeland Security</b>			39,698	-	-

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b>U.S. Department of Health and Human Services</b>					
<b>Administration for Community Living:</b>					
Passed through National Council on Aging					
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	HHS-2023-ACL-AOA-HDRC-0043	18,047	-	-
Passed through N.C. Department of Health and Human Services:					
Southwestern Commission Council of Governments:					
Aging Cluster:					
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	23/24 AANCT3HD	30,966	48,660	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	23/24 AANCT3CM	24,029	37,759	-
Special Programs for the Aging, Title III, Part C, Nutrition Services ARPA	93.045	2101NCCMC6-00	10,053	-	-
Special Programs for the Aging, Title III, Part C, Nutrition Services ARPA	93.045	2101NCHDC6-00	31,260	-	-
Special Programs for the Aging--Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	23/24 AANCT3SS	24,914	39,150	-
Special Programs for the Aging--Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	23/24 AANCT3SS	39,797	62,538	-
Special Programs for the Aging--Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	23/24 AANCT3SS	16,965	26,659	-
Nutrition Services Incentive Program	93.053	23/24 AANCT3CM	8,193	-	-
Nutrition Services Incentive Program	93.053	23/24 AANCT3HD	8,509	-	-
Total Aging Cluster			194,686	214,766	-
Total Administration for Community Living			212,733	214,766	-
<b>Administration for Children and Families:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Social Services:</b>					
Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 3):					
Foster Care Title IV-E - Administration	93.658	2401NCFOST	202,266	12,822	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	2401NCFOST	160,542	44,929	-
Foster Care Title IV-E	93.658	2401NCFOST	36,488	-	-
Adoption Assistance - Administration	93.659	2401NCADPT	23,796	-	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			423,092	57,751	-
<b>Division of Social Services:</b>					
Temporary Assistance for Needy Families:					
Temporary Assistance for Needy Families -					
Work First - Administration	93.558	2301NCTANF	436,242	-	-
Temporary Assistance for Needy Families - State Program	93.558	13A15151T2	1,350	-	-
Total Temporary Assistance for Needy Families			437,592	-	-
NC Child Support Enforcement Section:					
Child Support Services - Administration / CSE Incentive Recovery	93.563	2401NCCES	254,870	-	-
Child Support Services - Offset Fees - Federal	93.563	2401NCCES	113	-	-
Total Child Support Enforcement			254,983	-	-
Low-Income Home Energy Assistance Block Grant:					
Low Income Home Energy Assistance - Administration	93.568	2401NCLIEA	28,679	300	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Administration	93.674	2401NCC1LP	5,225	1,306	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Direct Benefit Payment	93.674	2401NCC1LP	3,037	-	-
Special Children Adoption Fund Cluster (Note 3):					
MaryLee Allen Promoting Safe and Stable Families Program - Administration	93.556	2401NCFPSS	21,019	-	-
Total Special Children Adoption Fund Cluster			21,019	-	-
Division of Aging and Adult Services:					
<b>Division of Social Services:</b>					
Social Services Block Grant - State In Home Service Fund	93.667	G2401NCSOSR	4,017	-	-
Social Services Block Grant - State Adult Day Care	93.667	G2401NCSOSR	3,764	3,764	-
Social Services Block Grant - Adult Protective Service	93.667	G2401NCSOSR	14,706	-	-
Social Services Block Grant - Adult Protective Service Essential Services	93.667	G2401NCSOSR	436	284	-
Social Services Block Grant - CPS TANF	93.667	G2401NCSOSR	75,735	-	-
Social Services Block Grant - Other Service and Training	93.667	G2401NCSOSR	103,848	-	-
Total Social Service Block Grant			202,506	4,048	-

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b>Division of Child Development:</b>					
Subsidized Child Care Program Cluster (Note 3):					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2401NCCCDF	79,378	-	79,378
Total Subsidized Child Care Program Cluster / Child Care Development Fund Cluster			79,378	-	79,378
Passed through the N.C. Department of Health and Human Services/ N.C. Department of Environmental Quality:					
Low-Income Home Energy Assistance - Weatherization Assistance for Low Income Persons	93.568	CW39926	402,397	-	-
Low-Income Home Energy Assistance - Heating & Air Repair and Replacement Program	93.568	CW39926	239,771	-	-
Total Low-Income Home Energy Assistance			642,168	-	-
Total Administration for Children and Families			2,097,679	63,405	79,378
<b>Centers for Medicare and Medicaid Services:</b>					
Passed through the N.C. Department of Health and Human Services:					
Medicaid Cluster:					
<b>Division of Social Services:</b>					
Administration:					
Medical Assistance Program	93.778	XIX-MAP24	1,231,407	56,762	-
Total Medicaid Cluster			1,231,407	56,762	-
<b>Division of Social Services:</b>					
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	CHIP24	84,648	1,482	-
Total State Children's Insurance Program			84,648	1,482	-
Total Centers for Medicare and Medicaid Services			1,316,055	58,244	-
<b>Centers for Disease Control and Prevention:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Public Health:</b>					
Public Health Emergency Preparedness	93.069	12642680EQ, 12642680ER	29,045	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	14602720NF	29	-	-
Immunization Cooperative Agreements	93.268	1331631CEJ	18,974	-	-
COVID-19 -Immunization Cooperation Agreements	93.268	1331639BP7	85,230	-	-
Maternal and Child Health Federal Consolidated Programs	93.110	20G0063001	1,889	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1175883AP5, 1332892AL5	11,256	-	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1173883AP5	2,182	-	-
National and State Tobacco Control Program	93.387	12713410QF	68,906	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen)	93.436	13133720AL	2,145	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917	2B04536, 2B04601	623	-	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	2B0SG LH, 1161SGLHF8	21,884	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH	30,431	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	13203100D7, 1320310ED7	11,400	-	-
Total Centers for Disease Control and Prevention			283,994	-	-
<b>Health Resources and Services Administration:</b>					
Passed through the N.C. Department of Health and Human Services:					
<b>Division of Public Health:</b>					
Maternal and Child Health Services Block Grant to the States	93.994	12715318AR, 12715351AR, 12715745AR, 13A15735AP, 13A15740AP	32,545	-	-
Total Health Resources and Services Administration			32,545	-	-
<b>Office of Assistant Secretary for Health:</b>					
Passed through N.C. Department of Health and Human Services:					
<b>Office of Population Affairs:</b>					
Family Planning Services	93.217	13A15900FP	39,448	-	-
Total Office of Assistant Secretary for Health			39,448	-	-

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b>Administration for Community Living:</b>					
Passed through N.C. Department of Insurance:					
State Health Insurance Assistance Program	93.324	SHIP 2024	11,050	-	-
Medicare Enrollment Assistance Program	93.071	MIPPA 2024	4,066	-	-
Total Administration for Community Living			15,116	-	-
<b>Total U.S. Department of Health and Human Services</b>			3,997,570	336,415	79,378
<b><u>U.S. Department of Energy</u></b>					
Passed through N.C. Department of Environmental Quality:					
Low-Income Home Energy Assistance - Weatherization Assistance for Low Income Persons	81.042	CW39926	163,219	-	-
<b>Total Department of Energy</b>			163,219	-	-
<b><u>U.S. Department of Justice</u></b>					
Bulletproof Vest Partnership Program	16.607		7,646	-	-
<b>Total U.S. Department of Justice</b>			7,646	-	-
<b><u>U.S. Department of Treasury</u></b>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		1,875,659	-	-
<b>Total U.S. Department of Treasury</b>			1,875,659	-	-
<b>Total Federal Assistance</b>			8,078,445	403,575	79,378
<b>State Awards</b>					
<b><u>N.C. Department of Health and Human Services</u></b>					
<b>Division of Social Services:</b>					
Administration:					
AFDC Incent/Prog Integrity			-	48	-
ST Child Welfare/ CPS/CS LD			-	32,448	-
Emergency Plmt FC				6,979	
Direct Benefit Payments:					
State Foster Home			-	80,910	-
SFHF Maximization			-	35,401	-
Foster Care Kinship			-	16,319	-
F/C At Risk Maximization			-	767	-
Total Division of Social Services			-	172,872	-
<b>Division of Public Health:</b>					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees		11534752SZ	-	11,168	-
General Communicable Disease Control		1175451000	-	10,678	-
TB Control		1460455100 / 1460455400	-	1,037	-
Child Health		1271574500	-	3,054	-
Minority Diabetes Prevention Program		1262417900	-	32,451	-
473 Minority Diabetes Prevention Program		1262417900		126,625	
School Nurse Funding Initiative		1332535800	-	67,857	-
Healthy Communities		1261550300	-	22,459	-
State Fiscal Recovery Funds		2B0249N		80,223	
Family Planning - State		13A1573500	-	7,506	-
High Risk Maternity Clinics		13A1574600	-	16,728	-
Maternal Health		13A1574000	-	9,721	-
DPH Aid-to-Counties		1161411000, 2B14110	-	82,398	-
Breast and Cervical Cancer Program		1320559900	-	8,150	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		2SF1249NTT	-	100,624	-
Total Division of Public Health			-	580,679	-
<b>Southwestern Commission Area Agency on Aging</b>					
Senior Center General Purpose Funding		22-07	-	12,911	-
<b>Total Southwestern Commission Area Agency on Aging</b>			-	12,911	-
<b>Total N.C. Department of Health and Human Services</b>			-	766,462	-
<b><u>N.C. Department of Military and Veterans Affairs</u></b>					
Veterans Service		NCDMVA2024	-	2,174	-

## MACON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b><u>N.C. Department of Public Safety</u></b>					
Adult Correction and Juvenile Justice					
Juvenile Crime Prevention Council		1256-23764	-	23,362	23,362
Division of Juvenile Justice					
Juvenile Crime Prevention Council		1256-23478	-	32,829	32,829
Juvenile Crime Prevention Council		157-10324	-	11,309	11,309
Juvenile Crime Prevention Council		157-11447	-	2,252	-
Juvenile Crime Prevention Council		156-12109	-	43,351	43,351
<b>Total N.C. Department of Public Safety</b>			-	113,103	110,851
<b><u>N.C. Department of Environmental Quality</u></b>					
Division of Waste Management:					
Scrap Tire Disposal Grant		SWS24-1268	-	6,559	-
<b>Total N.C. Department of Environmental Quality</b>			-	6,559	-
<b><u>N.C. Department of Transportation</u></b>					
ROAP:					
ROAP Work First Transitional Employment Transportation Assistance Program		36236.11.11.1	-	12,367	-
ROAP Rural Operating Assistance Program - General Public Program		36228.22.12.1	-	84,266	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.12.1	-	78,285	-
Total ROAP			-	174,918	-
<b>Total N.C. Department of Transportation</b>			-	174,918	-
<b><u>N.C. Department of Agriculture &amp; Consumer Services, Division of Soil &amp; Water</u></b>					
Agricultural Development and Farmland Preservation Trust Fund		22-087-4010	-	14,000	-
Agricultural Development and Farmland Preservation Trust Fund		24-038-4039	-	608	-
District Matching and Cost Share Technical Assistance Funds		21-035-4053	-	28,959	-
Streamflow Rehabilitation Assistance Program		CONTRACT 22-080-4006	-	150,495	-
<b>Total N.C. Department of Agriculture</b>			-	194,062	-
<b><u>N.C. Department of Public Instruction</u></b>					
Public School Building Capital Fund					
Repair and Renovation Lottery Fund		LEA 560	-	133	-
NC Lottery Proceeds		LEA 560	-	313,760	313,760
State Public School Funds		PRC 039- SRO	-	73,332	-
<b>Total N.C. Department of Public Instruction</b>			-	387,225	313,760
<b><u>N.C. Office of State Budget and Management</u></b>					
State Capital and Infrastructure Fund		CONTRACT # 20391	-	223,298	-
State Capital and Infrastructure Fund		CONTRACT # 20392	-	173,229	-
Economic Development Reserve		CONTRACT # 20393	-	267,101	-
Passed through Southwestern Commission Council of Governments					
Economic Development Reserve		S.L 2022-74	-	100,000	-
<b>Total N.C. Office of State Budget and Management</b>			-	763,628	-
<b><u>N.C. Housing Finance Agency</u></b>					
NC Housing Trust Fund					
Urgent Repair Program		URP2219	-	249	-
Urgent Repair Program		URP2330	-	115,182	-
<b>Total N.C. Housing Finance Agency</b>			-	115,431	-
<b><u>North Carolina 911 Board, an Agency of the State of North Carolina</u></b>					
PSAP Grant		G2023B-04	-	222,058	-
<b><u>North Carolina Attorney General</u></b>					
Smithfield Agreement Environmental Enhancement Grant			-	3,067	-
<b>Total State Assistance</b>			-	2,748,687	424,611
<b>Total Federal and State Assistance</b>			<u>\$ 8,078,445</u>	<u>\$ 3,152,262</u>	<u>\$ 503,989</u>

# MACON COUNTY, NORTH CAROLINA

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2024

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</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 (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, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *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.

### 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:  
Foster Care, Adoption, and Guardianship Assistance Program Cluster, Subsidized Child Care Program Cluster, and Special Children Adoption Fund Cluster

### 4. **Indirect Cost Rate**

Macon County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.