

**CATAWBA COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2019

CATAWBA COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures Of Federal And State Awards Required By Uniform Guidance; And The State Single Audit Implementation Act	3-5
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 Uniform Guidance; And The State Single Audit Implementation Act	6-8
Schedule of Findings, Responses, and Questioned Costs	9-13
Corrective Action Plan	14-15
Schedule of Prior Year Audit Findings	16
Schedule of Expenditures of Federal and State Awards	17-21

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 County Commissioners
Catawba County
Newton, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2019, 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 21, 2019. Our report includes a reference to other auditors who audited the financial statements of the Catawba Valley Medical Center and Catawba County ABC Board, as described in our report on Catawba County's financial statements. The financial statements of the Catawba Valley Medical Center and Catawba County ABC Board 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 Catawba 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 Catawba County's internal control. Accordingly, we do not express an opinion on the effectiveness of Catawba 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Catawba County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings, Responses and Questioned Costs as item 2019-002.

Catawba County's Responses to Findings

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

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity'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 21, 2019

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

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

Independent Auditor's Report

To the Board of Commissioners
Catawba County
Newton, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Catawba 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 Catawba County's major federal programs for the year ended June 30, 2019. Catawba County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Catawba 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, 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 Catawba 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 Catawba County's compliance.

Opinion On Each Major Federal Program

In our opinion, Catawba 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, 2019.

Report On Internal Control Over Compliance

Management of Catawba 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 Catawba 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 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 Catawba County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated November 21, 2019, 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 Catawba 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 other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 21, 2019

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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
Catawba County
Newton, North Carolina

Report On Compliance for Each Major State Program

We have audited Catawba 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 Catawba County's major state programs for the year ended June 30, 2019. Catawba County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Catawba 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, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Catawba 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 Catawba County's compliance.

Opinion On Each Major State Program

In our opinion, Catawba 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, 2019.

Report On Internal Control Over Compliance

Management of Catawba 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 Catawba County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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 and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2019-003 that we consider to be a significant deficiency.

Catawba County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements 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 Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance
And The State Single Audit Implementation Act**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated November 21, 2019, 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 Catawba 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 other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 21, 2019

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

1. 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? Yes

Non-compliance material to financial statements noted? Yes

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:

Program Name

CFDA #

Medicaid Cluster

93.778

Promoting Safe and Stable Families

93.556

Foster Care Title IV-E

93.658

Adoption Assistance

93.659

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

No

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Auditor's Results (continued)

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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Identification of major state programs:

Program Name

Medicaid Cluster
Foster Care and Adoption Cluster
Public School Building Capital Fund- Lottery Funds
Smart Start

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

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

Finding: 2019-001

Significant Deficiency

Criteria: Management should have a system in place to reduce the likelihood of misappropriations of assets and errors in financial reporting.

Condition: While documenting internal controls relating to the cash collections in the Register of Deeds' department, we noted that some personnel have access to collect cash, deposit cash, edit transaction reports, and access other cash drawers. Additionally, we noted that all staff in the department have access to spare keys to other cash drawers. We noted that the department has adequate staff to implement segregation of duties over the cash collection and bank deposit process, however segregation of duties do not appear to be properly designed.

Effect: Misappropriations of assets and errors in financial reporting could result.

Cause: Lack of proper design of segregation of duties over cash collections.

Recommendation: The department should strengthen the internal controls over cash collections. Limit duties and access to cash drawers to certain individuals as much as possible to implement proper segregation of duties.

Views of Responsible Officials and Planned Corrective Action: The County concurs with the finding. In the opinion of the Register of Deeds, she believes all Register of Deeds staff are needed to handle cash collections. Register of Deeds will review staffing duties and the need for individual cash drawers.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

2. Findings Related to the Audit of the Basic Financial Statements (continued)

Finding: 2019-002

Non-Material Non-Compliance

Criteria: Local governments in North Carolina may only invest funds in eligible investments under North Carolina General Statute 159-30(c).

Condition: During the year, the County held one investment that was not eligible under North Carolina General Statute 159-30(c).

Effect: The County was in violation of North Carolina General Statutes.

Cause: The County purchased an investment that was not eligible.

Recommendation: Management should analyze all potential investments for eligibility under North Carolina General Statutes.

Views of Responsible Officials and Planned Corrective Action: The County concurs with the finding. The Tennessee Valley Authority is a corporate agency of the United States. It was established by Congress thus leading the County to believe this was an authorized and allowed investment, much like Freddie Mac and Fannie Mae. Once the County knew of the error, it sold the investment and invested in a qualified investment. Staff will review future investment opportunities to make sure they are allowed and approved investments.

3. Federal Award Findings and Questioned Costs

None reported.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

4. State Award Findings and Questioned Costs

Finding: 2019-003

N.C. Department of Public Instruction
Public School Building Capital Fund

Significant Deficiency

Criteria: In accordance with 2 CFR 200, management should have an adequate system of internal controls in place to monitor grant compliance.

Condition: While testing expenditures related to the Public School Building Capital Fund, it was noted that the wire transfer of funds was prepared and authorized by one individual without a secondary review.

Context: A sample of two wire transfers was selected for audit from a population of two wire transfers. Both of the wire transfers tested were prepared and authorized by one individual without a secondary review.

Effect: Lack of proper implementation of internal controls over grant monitoring greatly increases the risk that compliance requirements would not be met.

Cause: Lack of proper design of segregation of duties over wire transfers.

Questioned Costs: None. The finding represents an internal control issue; therefore, no questioned costs are applicable.

Recommendation: The department should strengthen the internal controls over wire transfers by requiring two individuals to approve wire transfers.

Views of Responsible Officials and Planned Corrective Action: Wire transfer requests for drawdown of lottery funds are initiated after the allocations for public school capital funds are approved first by the relevant state agency and funds placed in the County Core Banking System account. An authorized signer for the County did initiate the wire transfer request but it did not include an additional signature from a secondary review. The process was corrected prior to the end of fiscal year 2018-19. An authorized signer initiates the request for draw down of lottery funds. A second authorized signer reviews the request form and includes his/her signature prior to it being submitted.



**Corrective Action Plan
For the Year Ended June 30, 2019**

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

Finding: 2019-001

Name of Contact Person: Donna Spencer, Register of Deeds

Corrective Action/Management's Response:

The County concurs with the finding. In the opinion of the Register of Deeds, she believes all Register of Deeds staff are needed to handle cash collections. Register of Deeds will review staffing duties and the need for individual cash drawers.

Proposed Completion Date: Immediately and ongoing

Finding: 2019-002

Name of Contact Person: Bob Miracle, CFO

Corrective Action/Management's Response: The County concurs with the finding. The Tennessee Valley Authority is a corporate agency of the United States. It was established by Congress thus leading the County to believe this was an authorized and allowed investment, much like Freddie Mac and Fannie Mae. Once the County knew of the error, it was sold the investment and invested in a qualified investment. Staff will review future investments opportunities to make sure they are allowed and approved investments.

Proposed Completion Date: Immediately and ongoing

3. Federal Award Findings and Questioned Costs

None reported.

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Catawba County Government Center

25 Government Drive | PO Box 389 | Newton NC 28658 | 828.465.8210

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catawba county finance

4. State Award Findings and Questioned Costs

Finding: 2019-003

Name of Contact Person: Bob Miracle, CFO

Corrective Action/Management's Response:

Wire transfer requests for drawdown of lottery funds are initiated after the allocations for public school capital funds are approved first by the relevant state agency and funds placed in the County Core Banking System account. An authorized signer for the County did initiate the wire transfer request but it did not include an additional signature from a secondary review.

The process was corrected prior to the end of fiscal year 2018-19. An authorized signer initiates the request for draw down of lottery funds. A second authorized signer reviews the request form and includes his/her signature prior to it being submitted.

Proposed Completion Date: Immediately and ongoing

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CATAWBA COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

Finding 2018-001

Status: Corrected

Finding 2018-002

Status: Corrected

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Federal Awards: <u>Grantor/Program Title</u>	Federal CFDA Number	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipient
<u>U.S. Department of Agriculture</u>					
Passed through N.C. Department of Health and Human Services					
<u>Division of Public Health</u>					
Special Supplemental Nutrition Program for Women Infant and Children	10.557	13A25403GG18	\$ 796,631	\$ -	\$ -
<u>Division of Social Services</u>					
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	175NC406S2514	1,079,969	1,382	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	175NC406S2514	124,665	-	-
Total SNAP Cluster			1,204,634	1,382	-
<u>U.S. Department of Health and Human Services</u>					
<u>Food and Drug Administration</u>					
Passed through the Association of Food and Drug Officials (AFDO)					
Food and Drug Administration Research	93.103	04400	2,000	-	-
<u>Administration of Children and Families</u>					
Passed through N.C. Department of Health and Human Services					
<u>Child Care Development Fund/Subsidized Child Care Cluster</u>					
<u>Division of Social Services</u>					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1701NCCCDF	185,938	-	-
Total Child Care Development Fund Cluster/Subsidized Child Care Cluster			185,938	-	-
<u>Foster Care and Adoption Cluster (Note 3)</u>					
<u>Foster Care Title IV-E</u>					
Foster Care Title IV-E Administration	93.658	1701NCFOST	172,525	-	-
Title IV-E Administration	93.658	1701NCFOST	10,635	-	-
Title IV-E Foster Care Training	93.658	1701NCFOST	3,151	-	-
Title IV-E Foster Care Offsite Training	93.658	1701NCFOST	1,058,557	-	-
Title IV-E Child Protective Services	93.658	1701NCFOST	231,634	114,867	-
Title IV-E Administration County Paid- Direct Benefit Payments	93.658	1701NCFOST	185,160	92,580	-
Title IV-E Family Foster Max- Direct Benefit Payments	93.658	1701NCFOST	20,024	-	-
Title IV-E Foster Care Extend Max- Direct Benefit Payments	93.658	1701NCFOST	863,576	218,278	-
Title IV-E Foster Care Extend Regular- Direct Benefit Payments	93.658	1701NCFOST	585,966	151,538	-
Title IV-E Max Level III- Direct Benefit Payments	93.658	1701NCFOST	15,007	-	-
<u>Adoption Assistance</u>					
Title IV-E Adoption Training	93.659	1701NCADPT	4,344	-	-
Title IV-E Adoption Offsite Training	93.659	1701NCADPT	74,450	-	-
Title IV-E Optional Adoption Training 5	93.659	1701NCADPT	61,325	-	-
Title IV-E Adoption	93.659	1701NCADPT	51	-	-
Total Foster Care and Adoption Cluster (Note 3)			3,286,405	577,263	-
Social Services Block Grant	93.667	G1701NCSOSR	42,477	44,331	-
Social Services Block Grant	93.667	G1701NCSOSR	24,563	26,315	-
Social Services Block Grant	93.667	G1701NCSOSR	29,460	-	-
Social Services Block Grant	93.667	G1701NCSOSR	28,486	-	-
Social Services Block Grant	93.667	G1701NCSOSR	685,848	-	-
Social Services Block Grant	93.667	G1701NCSOSR	17,170	-	-
Chafee Foster Care Independence Program	93.674	1701NC1420	34,183	8,546	-
Chafee Foster Care Independence Program- Direct Benefit Payments	93.674	1701NC1420	3,485	-	-
<u>Temporary Assistance for Needy Families Cluster</u>					
Temporary Assistance for Needy Families	93.558	1701NCTANF	304,858	-	-
Temporary Assistance for Needy Families	93.558	1701NCTANF	1,982,963	-	-
Temporary Assistance for Needy Families State Program	93.558	13A15151T218	19,732	-	-
Total TANF Cluster			2,307,553	-	-
Social Services Block Grant	93.667	G1701NCSOSR	217,772	-	-
Special Children Adoption Fund Cluster (Note 3)					
Promoting Safe and Stable Families - Community Response - Administration	93.556	1701NCFPSS	97,328	-	-
Promoting Safe and Stable Families	93.556	1701NCFPSS	107,809	-	-
Total Special Children Adoption Fund Cluster (Note 3)			205,137	-	-
Child Support Enforcement	93.563	1704NC4005	1,142,867	-	-
Child Support Enforcement	93.563	1704NC4005	72	-	-
Child Support Enforcement	93.563	1704NC4005	6,169	5	-
Child Support Enforcement	93.563	1704NC4005	233,090	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1701NCCWSS	29,793	-	-
Adoption Opportunities	93.652	10-68.61-80720	67,261	-	-
Community Services Block Grant	93.569	32179	163,288	-	-
Low Income Home Energy Assistance					
Crisis Intervention Payments	93.568	G17B1NCLIEA	563,363	-	-
Administration	93.568	G17B1NCLIEA	98,345	-	-
Allocation	93.568	G17B1NCLIEA	253,100	-	-
<u>Substance Abuse and Mental Health Services Administration</u>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance Administration	93.243	5H79TI026708-02	178,400	-	-

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Federal Awards:	Federal	State	Federal (Direct &	State	Pass-through
Grantor/Program Title	CFDA	Grantor's	Pass-through)	Expenditures	to Subrecipient
	Number	Number	Expenditures	Expenditures	
Centers for Medicare and Medicaid Services					
Passed through N.C. Department of Health and Human Services					
Medicaid Cluster:					
Division of Medical Assistance					
Medical Assistance Program	93.778	XIX-MAP19	27,802	10,176	-
Medical Assistance Program	93.778	XIX-MAP19	366,928	-	-
Medical Assistance Program	93.778	XIX-MAP19	3,160,310	-	-
Medical Assistance Program	93.778	XIX-MAP19	166,251	-	-
Medical Assistance Program	93.778	XIX-MAP19	54,813	-	-
Medical Assistance Program	93.778	XIX-MAP19	663,424	-	-
Medical Assistance Program	93.778	XIX-MAP18	41,670	-	-
Medical Assistance Program	93.778	XIX-MAP19	348,029	-	-
Medical Assistance Program - Direct Benefit Payments	93.778	XIX-MAP17	-	-	-
Total Medicaid Cluster			<u>4,829,227</u>	<u>10,176</u>	<u>-</u>
Children's Health Insurance Program					
North Carolina Health Choice	93.767	CHIP19	91,521	-	-
Centers for Disease Control and Prevention					
Passed through 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	12642680EZ18 1460272DNF18	37,551	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272ENF18	10,050	-	-
Immunization Cooperative Agreements	93.268	1331631EEJ18	34,122	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.991	126155030018 12615503PH18	35,809	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310BD718	26,520	-	-
Public Health Emergency Response: Cooperative	93.354	11752681FE18	8,868	-	-
Sexually transmitted diseases (STD) Prevention and control grants	93.977	1311462ANB18 1311462ENB18	100	-	-
Health Resources and Service Administration					
Passed through N.C. Department of Health and Human Services					
Division of Public Health					
Maternal and Child Health Services Block Grant to the States	93.994	12715318AR18 12715351AR18 12715745AR18 13A15735AR18 13A15146AR18	110,575	5,625	-
U.S. Department of Health and Human Services					
Passed through N.C. Department of Health and Human Services					
Office of Assistant Secretary for Health					
Family Planning Services	93.217	13A1592AFP18 13A1592CFP18 13A1592DFP18	58,838	-	-
Total N.C. Department of Health and Human Services			<u>17,050,671</u>	<u>673,643</u>	<u>-</u>
Department of Homeland Security					
Passed through N.C. Department of Public Safety					
Federal Emergency Management Agency					
Division of Crime Control and Public Safety					
Emergency Management Performance Grant	97.042	1500-8016-35HD	52,899	-	-
Passed through City of Hickory					
Federal Emergency Management Agency					
Assistance to Firefighters Grant	97.044	n/a	30,621	-	-
Administration for Community Living					
Passed through Western Piedmont Council of Governments					
Aging Cluster					
Division of Social Services					
Title III B					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	40,110	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	232,562	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	12,313	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	617	-	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	15-16 AANCT3CM	134,321	-	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	15-16 AANCT3CM	20,348	-	-
Total Aging cluster			<u>440,271</u>	<u>-</u>	<u>-</u>
Department of Justice					
Passed through Bureau of Justice Assistance					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0512	12,618	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0133	13,494	-	-
State Criminal Alien Assistance Program (SCAAP)	16.606	n/a	14,013	-	-

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Federal Awards:	Federal	State	Federal (Direct &	State	Pass-through
<u>Grantor/Program Title</u>	<u>CFDA</u>	<u>Grantor's</u>	<u>Pass-through)</u>	<u>Expenditures</u>	<u>to Subrecipient</u>
	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation</u>					
<u>Federal Transit Administration</u>					
Passed through N.C. Department of Transportation					
<u>Transit Services Programs Cluster</u>					
		51001.68.5.3/51001.			
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	68.4.3	172,419	-	-
Total Transit Services Program Cluster			172,419	-	-
Total Federal Awards and State Matches			17,787,006	673,643	-
State Awards:					
<u>N.C. Department of Health and Human Services</u>					
<u>Division of Public Health</u>					
Other Receipts/State Supported Expenditures					
Food and Lodging Fees	n/a	11534752S218	-	53,187	-
CHA/CHIP Peer Review	n/a	116141100018	-	103,745	-
Public Health Nursing	n/a	116143010018	-	400	-
General Communicable Disease Control	n/a	117545100018	-	8,197	-
Breast and Cervical Cancer Program		132055990018			
	n/a	132033550418	-	18,105	-
Child Health	n/a	127157450018	-	9,694	-
Health Community Activities	n/a	126155030018	-	4,137	-
High Risk Maternity Clinic	n/a	13A157460018	-	75,869	-
Maternal Health	n/a	13A157400018	-	34,538	-
Women's Health Service Fund	n/a	13A16019FR18	-	14,662	-
HIV/STD State		13114536RQ18			
	n/a	13114536RR18	-	12,500	-
		13114601RQ18			
STD Drugs	n/a	13114601RR18	-	17,879	-
School Nursing Funding Initiative	n/a	133253580018	-	200,000	-
TB Control		146045510018			
	n/a	146045540018	-	24,926	-
PCM for Women Ineligible for Medicaid	n/a	13A151070018	-	50,000	-
<u>Division of Social Services</u>					
Child Protective Services Caseload Reduction	n/a	WC 302	-	311,247	-
Energy Assistance Private Grant	n/a	WC 302	-	3,427	-
AFDC Incentive Program Integrity	n/a	WC 302	-	86	-
Extended Foster Care Maximization Non Title IV-E- Direct Benefit Payments	n/a	WC 302	-	266,408	-
Foster Care at Risk Maximization- Direct Benefit Payments	n/a	WC 302	-	8,597	-
SFHF Maximization- Direct Benefit Payments	n/a	WC 302	-	383,782	-
State Foster Home- Direct Benefit Payments	n/a	WC 302	-	233,578	-
Post Adoption Grant	n/a	32169-16	-	186,243	-
<u>NC Partnership for Children</u>					
Smart Start - public health	n/a	1711174040	-	173,229	-
Smart Start - early childhood support team	n/a	1711174040	-	495,456	-
Smart Start - day care	n/a	WC 302	-	99,898	-
<u>N.C. Department of Public Safety</u>					
<u>Division of Juvenile Justice</u>					
Peace Pipeline Conflict Resolution	n/a	1901-536301	-	46,620	-
Project Challenge	n/a	1901-536301	-	70,850	-
Family Net	n/a	1901-536301	-		-
Planning	n/a	1901-536301	-	13,865	-
Catawba Parenting Network	n/a	1901-536301	-	33,036	-
Alexander Youth Network	n/a	1901-536301	-	-	-
Cognitive Connections	n/a	1901-536301	-	70,725	-
Repay	n/a	1901-536301	-	33,500	-
Family Centered Treatment	n/a	1901-536301	-	26,458	-
Aspire Kids at Work	n/a	1901-536301	-	37,562	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Soil and Water Technical Assistance	n/a	10PN0003604959	-	17,546	-
Soil and Water Conservation Matching Fund	n/a	G401002890155	-	3,600	-
<u>N.C. Department of Natural and Cultural Resources</u>					
<u>Library Department</u>					
Library State Aid Grant	n/a	46PT0006550034	-	149,068	-
Library Services & Technology Act (LSTA) State Grants Popul Library	n/a	45.310	-	38,960	-
Library Services & Technology Act (LSTA) State Grants ARSL Scholarships	n/a	45.310	-	1,373	-
<u>Parks Department</u>					
North Carolina Parks and Recreation Trust Fund (PARTF)	n/a	PARTF 2018-745	-	414,109	-
<u>N.C. Department of Administration</u>					
<u>Division of Veterans Affairs</u>					
Veterans Service Community Grant	n/a	13PT0011467165	-	2,216	-

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

	Federal CFDA Number	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipient
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - Lottery Funds	n/a	LEA 180,181,182	-	1,706,900	-
State Awards:					
<u>N.C. Department of Transportation</u>					
		51001.68.3.3			
Safe Roads Act	n/a	51001.68.4.3	-	21,552	-
<u>N.C. Housing Trust Fund</u>					
Passes through NC Housing Finance Agency					
Urgent Repair	n/a	URP2018	-	100,000	-
Urgent Repair	n/a	URP1701	-	37,500	-
Total State Awards			-	5,615,230	-
Total Federal and State Awards			\$ 17,787,006	\$ 6,288,873	\$ -

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Notes to the Schedule of Expenditures of Federal and State Financial Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Catawba County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. 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 Catawba County, it is not intended to and does not present the financial position, changes in net position or cash flows of Catawba 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. Catawba County has elected not to use the 10-percent de minimis cost rate as allowed under the Uniform Guidance.

3. Cluster of Programs

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