

**CATAWBA COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2017

CATAWBA COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2017

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 OMB 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 OMB Uniform Guidance; And The State Single Audit Implementation Act	6-8
Schedule of Findings, Responses, and Questioned Costs	9-14
Corrective Action Plan	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, 2017, 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 22, 2017. 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. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or 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 22, 2017

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 OMB 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, 2017. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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, OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2017.

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 OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catawba County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2017-002 to be a material weakness.

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 2017-001 to be a significant deficiency.

Catawba County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Report On Schedule of Expenditures of Federal and State Awards Required by 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, 2017, and the related notes to the financial statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated November 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 22, 2017

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

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

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

Independent Auditor's Report

To the Board of Commissioners
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, 2017. 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 laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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, 2017.

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 material weaknesses or significant deficiencies 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, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2017-001 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 Corrective Action Plan. The County's response was not subjected to the 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 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, 2017, and the related notes to the financial statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated November 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 22, 2017

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

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? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

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

Program Name

CFDA

Medicaid Cluster	93.778, 93.777, 93.775
Temporary Assistance for Needy Families (TANF) Cluster	93.558, 93.714
Foster Care and Adoption Cluster	93.659, 93.658
Children's Health Insurance Program	93.767
Child Support Enforcement	93.563

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

\$3,000,000

Auditee qualified as low-risk auditee?

No

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

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

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act? Yes

Identification of major State programs:

Program Name

Medicaid Cluster

Foster Care and Adoption Cluster

Children's Health Insurance program

CATAWBA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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

None in current year

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

3. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA # 93.778

Grant Number: XIX-MAP17

Program Name: Temporary Assistance for Needy Families (TANF)

CFDA # 93.558

Grant Number: 13A15151T218

Program Name: Children's Health Insurance

CFDA # 93.767

Grant Number: CHIP17

Program Name: Foster Care and Adoption Cluster

CFDA # 93.658, 93.659

Grant Number: 1701NCFOST, 1701NCADPT

Program Name: Child Support Enforcement

CFDA # 93.563

Grant Number: 1704NC4005

Finding: 2017-001

SIGNIFICANT DEFICIENCY

Criteria: In accordance with 2 CFR 200 of the Uniform Guidance, the County must take reasonable measures to safeguard protected personally identifiable information. The County requires DSS employees to sign a confidentiality agreement as a control over personally identifiable information.

Condition: 1 employee did not sign confidentiality agreements.

Context: While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

Effect: Breaches of personally identifiable information could occur.

Cause: Lack of proper internal controls over personally identifiable information.

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

Recommendation: Require all County DSS employees to sign a confidentiality agreement.

Views of Responsible Officials and Planned Corrective Action: All permanent employees with the agency receive training on confidentiality and sign the confidentiality agreement during their new employee orientation. The one individual who did not have a signed agreement was temporary staff. Temporary staff are required to sign the confidentiality agreement when they are hired with the agency.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

3. Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Temporary Assistance for Needy Families (TANF)
CFDA # 93.558
Grant Number: 13A15151T218

Finding: 2017-002

MATERIAL WEAKNESS

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

Condition: The County Department of Social Services did not have a system in place the entire year to perform second party reviews for the Temporary Assistance for Needy Families program.

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

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

Identification of a Repeat Finding: This is a repeat finding from prior year, but has been modified, 2016-003

Cause: Second party review procedures are not being performed by management for the Temporary Assistance to Needy Families program.

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

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

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. A robust second party review process was implemented in January 2017. The county has a formal tool in place to review a sampling of TANF records each month.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

4. State Award Findings and Questioned Costs

N.C. Department of Health and Human Services

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

Program Name: Children's Health Insurance program

Program Name: Foster Care and Adoption Cluster

Finding: 2017-001 – In accordance with the Uniform Guidance, DSS employees should sign a confidentiality agreement as a control over personally identifiable information. See more details at Finding 2017-001 in Section III – Federal Award Findings and Questioned Costs.



PO Box 389
25 Government Drive
Newton, North Carolina 28658-0389
Telephone: (828) 465-8210
Fax: (828) 465-8298
www.catawbacountync.gov/

**Corrective Action Plan
For the Year Ended June 30, 2017**

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

None reported.

3. Federal Award Findings and Questioned Costs

Finding: 2017-001

Name of Contact Person: Karen Harrington, DSS Director

Corrective Action/Management's Response: All permanent employees with the agency receive training on confidentiality and sign the confidentiality agreement during their new employee orientation. The one individual who did not have a signed agreement was temporary staff. Temporary staff are required to sign the confidentiality agreement when they are hired with the agency.

Proposed Completion Date: Immediately and ongoing

Finding: 2017-002

Name of Contact Person: Karen Harrington, DSS Director

Corrective Action/Management's Response: A robust second party review process was implemented in January 2017. The county has a formal tool in place to review a sampling of TANF records each month.

Proposed Completion Date: Second party review was implemented in January 2017.

4. State Award Findings and Questioned Costs

Finding: 2017-001

See Finding 2017-001 in Section 3- Federal Award Findings and Questioned Costs of the Corrective Action Plan.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2017

Finding 2016-001

Status: Corrected

Finding 2016-002

Status: Corrected

Finding 2016-003

Status: Repeated as Finding 2017-002

Corrective Action Plan:

A robust second party review process was implemented in January 2017. The county has a formal tool in place to review a sampling of TANF records each month.

Finding 2016-004

Status: Corrected

Finding 2016-005

Status: Corrected

Finding 2016-006

Status: Not corrected

Corrective Action Plan:

Case could not be corrected because the case is closed. Case notes have been added to the case to explain the incorrect eligibility.

Finding 2016-007

Status: Corrected

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2017

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.S. Department of Agriculture					
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	\$ 832,269	\$ -	\$ -
Special Supplemental Nutrition Program for Women Infant and Children - Direct Benefit Payments	10.557	5NC700705	2,967,273	-	-
<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	1,059,499	-	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	175NC406S2514	113,905	-	-
Total SNAP Cluster			<u>1,173,404</u>	<u>-</u>	<u>-</u>
U.S. Department of Health and Human Services					
Administration of Children and Families					
Passed through N.C. Department of Health and Human Services					
Subsidized Child Care Cluster (Note 3)					
<u>Child Care Development Fund Cluster</u>					
<u>Division of Social Services</u>					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1701NCCCDF	163,887	-	-
<u>Division of Child Development</u>					
Child Care and Development Block Grant - Discretionary	93.575	536147	2,167,760	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	536145	834,222	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	536149	<u>1,098,042</u>	<u>461,987</u>	<u>-</u>
Total Child Care Fund Cluster			<u>4,263,911</u>	<u>461,987</u>	<u>-</u>
Temporary Assistance for Needy Families State Program	93.558	13A15151T218	675,305	-	-
Foster Care Title IV-E	93.658	536153/536154	58,109	29,141	-
Smart Start	n/a	536142	-	821	-
State Appropriations	n/a	536142	-	351,854	-
TANF - Maintenance of Effort	n/a	536142/536146	-	968,918	-
Total Subsidized Child Care Cluster (Note 3)			<u>4,997,325</u>	<u>1,812,721</u>	<u>-</u>
<u>Foster Care and Adoption Cluster</u>					
Foster Care Title IV-E Administration	93.658	1701NCFOST	187,470	-	-
Title IV-E Administration	93.658	1701NCFOST	4,126	-	-
Title IV-E Foster Care Training	93.658	1701NCFOST	9,413	-	-
Title IV-E Foster Care Offsite Training	93.658	1701NCFOST	835,313	-	-
Title IV-E Child Protective Services	93.658	1701NCFOST	206,308	64,247	-
Title IV-E Administration County Paid- Direct Benefit Payments	93.658	1701NCFOST	56,403	29,848	-
Title IV-E Family Foster Max- Direct Benefit Payments	93.658	1701NCFOST	17,075	-	-
Title IV-E Foster Care Extend Max- Direct Benefit Payments	93.658	1701NCFOST	757,037	181,155	-
Title IV-E Foster Care Extend Regular- Direct Benefit Payments	93.658	1701NCFOST	401,260	92,146	-
Title IV-E Max Level III- Direct Benefit Payments	93.658	1701NCFOST	4,046	-	-
<u>Adoption Assistance</u>					
Title IV-E Adoption Training	93.659	1701NCADPT	5,207	-	-
Title IV-E Adoption Offsite Training	93.659	1701NCADPT	94,677	-	-
Title IV-E Optional Adoption Training 5	93.659	1701NCADPT	60,711	-	-
Title IV-E Adoption & Vendor & Guardian- Direct Benefit Payments	93.659	1701NCADPT	2,203,396	517,786	-
Title IV-E Vendor Payments	93.659	1701NCADPT	55,124	-	-
Title IV-E Adoption	93.659	1701NCADPT	628	-	-
Total Foster Care and Adoption Cluster (Note 3)			<u>4,898,194</u>	<u>885,182</u>	<u>-</u>
<u>Division of Aging</u>					
Social Services Block Grant	93.667	G1701NCSOSR	44,177	40,553	-
Social Services Block Grant	93.667	G1701NCSOSR	33,860	37,449	-
Social Services Block Grant	93.667	G1701NCSOSR	36,465	-	-
Social Services Block Grant	93.667	G1701NCSOSR	4,045	-	-
Social Services Block Grant	93.667	G1701NCSOSR	38,059	-	-
Social Services Block Grant	93.667	G1701NCSOSR	609,177	37,508	-
Social Services Block Grant	93.667	G1701NCSOSR	18,940	-	-
Chafee Foster Care Independence Program	93.674	1701NC1420	38,380	9,595	-
Chafee Foster Care Independence Program- Direct Benefit Payments	93.674	1701NC1420	10,085	-	-
<u>Administration</u>					
<u>Temporary Assistance for Needy Families Cluster</u>					
Temporary Assistance for Needy Families State Program	93.558	1701NCTANF	159,368	-	-
Temporary Assistance for Needy Families State Program	93.558	1701NCTANF	51,358	-	-
Temporary Assistance for Needy Families State Program	93.558	1701NCTANF	237,931	-	-
Temporary Assistance for Needy Families State Program	93.558	1701NCTANF	1,802,893	-	-
Temporary Assistance for Needy Families State Program- Direct Benefit Payments	93.558	1701NCTANF	375,467	-	-
Temporary Assistance for Needy Families State Program- Direct Benefit Payments	93.558	1701NCTANF	<u>34,800</u>	<u>-</u>	<u>-</u>
Total TANF Cluster			<u>2,661,817</u>	<u>-</u>	<u>-</u>

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2017

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
Social Services Block Grant	93.667	G1701NCSOSR	213,298	-	-
Special Children Adoption Fund Cluster (Note 3)					-
Promoting Safe and Stable Families - Community Response - Administration	93.556	1701NCFPSS	116,759	-	-
Promoting Safe and Stable Families	93.556	1701NCFPSS	74,533	-	-
Total Special Children Adoption Fund Cluster (Note 3)			191,292	-	-
Child Support Enforcement	93.563	1704NC4005	1,037,027	-	-
Child Support Enforcement	93.563	1704NC4005	112	2	-
Child Support Enforcement	93.563	1704NC4005	4,757	-	-
Child Support Enforcement	93.563	1704NC4005	221,833	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1701NCCWSS	32,704	-	-
Adoption Opportunities	93.652	10-68.61-80720	81,750	-	-
Community Services Block Grant	93.569	32179	313,037	-	-
Refugee and Entrant Assistance - State Administered Programs- Direct Benefit Payments	93.566	1701NCRMA	1,267	-	-
Low Income Home Energy Assistance					
Crisis Intervention Payments	93.568	G17B1NCLIEA	455,437	-	-
Administration	93.568	G17B1NCLIEA	94,909	-	-
Allocation	93.568	G17B1NCLIEA	298,642	-	-
<u>Center for Substance Abuse Treatment</u>					
Substance Abuse and Mental Health Services Projects of Regional and National Significance Administration	93.243	5H79TI026708-02	92,866	-	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed through N.C. Department of Health and Human Services					
<u>Medicaid Cluster:</u>					
<u>Division of Medical Assistance</u>					
Medical Assistance Program	93.778	XIX-MAP17	35,159	12,176	-
Medical Assistance Program	93.778	XIX-MAP17	52,727	26,238	-
Medical Assistance Program	93.778	XIX-MAP17	385,551	-	-
Medical Assistance Program	93.778	XIX-MAP17	3,134,923	-	-
Medical Assistance Program	93.778	XIX-MAP17	149,469	-	-
Medical Assistance Program	93.778	XIX-MAP17	787,360	391,671	-
Medical Assistance Program	93.778	XIX-MAP17	13,567	-	-
Medical Assistance Program	93.778	XIX-MAP17	700,210	-	-
Medical Assistance Program	93.778	XIX-MAP17	27,263	-	-
Medical Assistance Program	93.778	XIX-MAP17	3,366	-	-
Medical Assistance Program	93.778	XIX-MAP17	324,944	-	-
Medical Assistance Program - Direct Benefit Payments	93.778	XIX-MAP17	128,868,765	67,561,422	-
Total Medicaid Cluster			134,483,304	67,991,507	-
<u>Children's Health Insurance Program</u>					
North Carolina Health Choice	93.767	CHIP17	106,177	135	-
Direct Benefit Payments - North Carolina Health Choice	93.767	CHIP17	3,811,732	16,232	-
<u>Centers for Disease Control and Prevention</u>					
Passed through N.C. Department of Health and Human Services					
<u>Division of Public Health</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680M818			-
		12642680EX18	47,065	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		1460272BNF18			-
	93.116	1460272CNF18	50	-	-
Immunization Cooperative Agreements	93.268	1331631DEJ18	14,123	-	-
Prevention and Public Health Funds (PPHF) Capacity Building Assistance to Strengthen Public Health		1331627CVP18			-
Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds		1331627DVP18			-
	93.539	1331627EVP18	19,315	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	1320310DJS18	33,915	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12615503PF18	8,671	-	-
HIV Cluster (Note 3)					-
HIV Prevention Activities - Health Department Based	93.940	1311981EHV18	539	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants		1311468CNB18			-
	93.977	1311468DNB18	988	-	-
Total HIV Cluster (Note 3)			1,527	-	-
<u>Administration of Children and Families</u>					
Passed through N.C. Department of Health and Human Services					
<u>Division of Social Services</u>					
Temporary Assistance for Needy Families State Program	93.558	13A15151T218	19,732	-	-
<u>Health Resources and Service Administration</u>					
Passed through N.C. Department of Health and Human Services					
<u>Division of Public Health</u>					
Maternal and Child Health Services Block Grant to the States	93.994	13A15735AP18	73,108	54,838	-

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2017

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
Office of Population Affairs					
Passed through N.C. Department of Health and Human Services					
<u>Office of Population Affairs</u>					
Family Planning Services		13A1592AFP18			-
	93.217	13A1592BFP18	45,933	-	
Total N.C. Department of Health and Human Services			<u>160,067,053</u>	<u>70,885,722</u>	<u>-</u>
U.S. Department of Justice					
<u>Office of Justice Programs</u>					
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	n/a	12,113	-	-
State Criminal Alien Assistance Program	16.606	n/a	18,645	-	-
Office of Victims of Crime					
Equitable Sharing Program	16.922	n/a	9,668		
Department of Homeland Security					
Passed through N.C. Department of Public Safety					
<u>Federal Emergency Management Agency</u>					
Division of Crime Control and Public Safety					
Emergency Management Performance Grant	97.042	1500-8016-35HD	52,959	-	-
Administration on Aging					
Passed through Western Piedmont Council of Governments					
<u>Aging Cluster</u>					
<u>Division of Social Services</u>					
Title III B					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3SS	6,814	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3SS	273,128	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	38,767	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	198,404	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	12,458	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3HD	12,874	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3SS	25,191	-	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	15-16 AANCT3SS	52,242	-	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	15-16 AANCT3CM	135,810	-	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	15-16 AANCT3CM	20,713	-	-
Total Aging cluster			<u>776,401</u>	<u>-</u>	<u>-</u>
Federal Transit Administration					
Passed through N.C. Department of Transportation					
<u>Transit Services Programs Cluster</u>					
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	51001.68.1.1/51001.68.2.3	88,916	-	-
Total Transit Services Program Cluster			<u>88,916</u>	<u>-</u>	<u>-</u>
Total Federal Awards and State Matches			<u>161,025,755</u>	<u>70,885,722</u>	<u>-</u>
State Awards:					
N.C. Department of Health and Human Services					
Division of Public Health					
Other Receipts/State Supported Expenditures					
Food and Lodging Fees	n/a	11534752SZ18	-	51,455	-
General Aid to Counties	n/a	116141100018	-	108,670	-
General Communicable Disease Control	n/a	117545100018	-	8,197	-
Breast and Cervical Cancer Program	n/a	132055990018	-	14,280	-
Child Health	n/a	127157450018	-	4,126	-
High Risk Maternity Clinic	n/a	13A157460018	-	75,869	-
HMHC - Family Planning	n/a	13A157350018	-	1,868	-
Maternal Health (HMHC)	n/a	13A157400018	-	5,825	-
Women's Health Service Fund	n/a	13A16017FR18	-	15,365	-
HIV/STD State	n/a	13114536BN18	-	2,500	-
HIV/STD SSBG Aid	n/a	13114536RR18	-	10,000	-
		1311461BN18			-
Sexually Transmitted Diseases	n/a	13114601RR18	-	1,322	-
School Nursing Funding Initiative	n/a	133253580018	-	200,000	-
Triple P	n/a	127150230418	-	24,620	-
Tuberculosis	n/a	146045510018	-	24,139	-
Tuberculosis Medical Services	n/a	146045540018	-	787	-

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2017

Federal Awards: <u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipient</u>
<u>Division of Social Services</u>					
Child Protective Services Caseload Reduction	n/a	WC 302	-	308,007	-
Energy Assistance Private Grant	n/a	WC 302	-	7,602	-
AFDC Incentive Program Integrity	n/a	WC 302	-	515	-
Child Welfare Services Adoption Subsidy and Vendor Payments- Direct Benefit Payments	n/a	WC 302	-	844,152	-
Extended Foster Care Maximization Non Title IV-E- Direct Benefit Payments	n/a	WC 302	-	3,865	-
Foster Care at Risk Maximization- Direct Benefit Payments	n/a	WC 302	-	1,577	-
State-County Special Assistance Certain Disabled Payments- Direct Benefit Payments	n/a	WC 302	-	4,604	-
SAA/SAD HB 1030- Direct Benefit Payments	n/a	WC 302	-	49,487	-
Direct Benefit Payment - State-County Special Assistance Domiciliary Care- Direct Benefit Payments	n/a	WC 302	-	944,915	-
SFHF Maximization- Direct Benefit Payments	n/a	WC 302	-	546,858	-
State Foster Home- Direct Benefit Payments	n/a	WC 302	-	189,587	-
Post Adoption Grant	n/a	32169-16	-	177,123	-
<u>NC Partnership for Children</u>					
Smart Start - public health	n/a	1711174040	-	132,117	-
Smart Start - early childhood development	n/a	1711174040	-	49,793	-
Smart Start - early childhood support team	n/a	1711174040	-	403,272	-
Smart Start - day care	n/a	WC 302	-	199,340	-
<u>N.C. Department of Public Safety</u>					
<u>Division of Juvenile Justice</u>					
Peace Pipeline Conflict Resolution	n/a	1901-536301	-	57,751	-
Project Challenge	n/a	1901-536301	-	75,775	-
Planning	n/a	1901-536301	-	15,500	-
Catawba Parenting Network	n/a	1901-536301	-	22,932	-
Cognitive Connections	n/a	1901-536301	-	70,725	-
Repay	n/a	1901-536301	-	35,704	-
Family Centered Treatment	n/a	1901-536301	-	15,155	-
Aspire Kids at Work	n/a	1901-536301	-	12,945	-
<u>N.C. Department of Environmental Quality</u>					
<u>Division of Water Resources</u>					
Shuford Mill Dam Removal	n/a	16PT0002500408	-	69,656	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Soil and Water Technical Assistance	n/a	10PN0003604959	-	26,730	-
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	-	149,476	-
Library Services & Technology Act (LSTA) Literacy Lifelong Learn Grant	n/a	NC-15-11	-	41,422	-
Library Services & Technology Act (LSTA) EZ Edge Grant	n/a	46PT0006551910	-	3,922	-
<u>N.C. Department of Administration</u>					
<u>Division of Veterans Affairs</u>					
Veterans Service Community Grant	n/a	13PT0011467165	-	2,130	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - Lottery Funds	n/a	LEA 180,181,182	-	1,619,950	-
<u>N.C. E911 Board</u>					
911 Center Grant	n/a	G2017-1A	-	94,271	-
<u>N.C. Office of Emergency Medical Services</u>					
Metrolina Healthcare Preparedness Coalition	n/a	HP-12-2319	-	2,822	-
<u>N.C. Department of Transportation</u>					
		51001.68.2.3			-
Safe Roads Act	n/a	51001.68.3.3	-	11,115	-
<u>N.C. Housing Trust Fund</u>					
Passes through NC Housing Finance Agency					
Urgent Repair	n/a	URP1602	-	50,000	-
Urgent Repair	n/a	URP1504	-	24,299	-
Total State Awards			-	6,817,717	-
Total Federal and State Awards			\$ 161,025,755	\$ 77,703,439	\$ -

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2017

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, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of 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.