

**CATAWBA COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2025

CATAWBA COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2025

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of 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 (*Government Auditing Standards*), 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, 2025, 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 January 15, 2026. 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 County ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the financial statements of the Catawba County ABC Board or that are reported on separately by those auditors who audited the financial statements of the Catawba County ABC Board.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 15, 2026

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

Opinion on Each Major Federal Program

We have audited Catawba County, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Catawba County's major federal programs for the year ended June 30, 2025. 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.

In our opinion, Catawba County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2025-001 to be a significant deficiency.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2025, and the related notes to the financial statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated January 15, 2026, 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 the 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 15, 2026

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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

Opinion on Each Major State Program

We have audited Catawba County, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Catawba County's major state programs for the year ended June 30, 2025. 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.

In our opinion, Catawba County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2025, and the related notes to the financial statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated January 15, 2026, 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 the 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 15, 2026

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

1. Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Non-compliance material to financial statements noted?

No

Federal Awards

Internal control over major federal programs:

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

Type of auditor's report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes

Identification of major federal programs:

| <u>Program Name</u> | <u>AL #</u> |
|--|-----------------|
| Medicaid Cluster | 93.778 |
| Foster Care, Adoption, and Guardianship Assistance Cluster | 93.658 & 93.659 |
| WIC Supplemental Nutrition Program for Women Infant and Children | 10.557 |
| Treatment Court Discretionary Grant Program | 16.585 |

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

\$800,254

Auditee qualified as low-risk auditee?

Yes

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

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

Auditee qualified as low-risk auditee? Yes

Identification of major state programs:

Program Name

Medicaid Cluster

Public School Building Capital Fund- Lottery Funds/Needs Based
Smart Start

Foster Care, Adoption, and Guardianship Cluster

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

None reported.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

3. Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

Passed-through N.C. Department of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
AL Number: 93.778
Grant Number: XIX-MAP24
Program Name: Foster Care, Adoption, & Guardianship
AL Number: 93.658, 93.659, 93.090
Grant Number: 1701NCFOST, 1701NCADPT

Finding 2025-001

Significant Deficiency

Criteria: In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe.

Condition: Upon surprise inspection, two workstations of DSS employees were logged onto the state network without anyone attending to the workstation.

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

Effect: Unauthorized access to the state system could be obtained due to the unattended logon to the system throughout the DSS building.

Cause: Lack of proper internal controls over data security.

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

Recommendation: Require the County Data Processing Department to implement procedures to require logout of workstations where access to the state DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

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

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

4. State Award Findings and Questioned Costs

U.S. Department of Health and Human Services

Passed-through N.C. Department of Health and Human Services

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

AL Number: 93.778

Grant Number: XIX-MAP24

Program Name: Foster Care, Adoption, & Guardianship

AL Number: 93.658, 93.659, 93.090

Grant Number: 1701NCFOST, 1701NCADPT

Finding 2025-001 – In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe. See more at Finding 2025-001 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.



catawba county social services

Corrective Action Plan

Finding: 2025-001

Name of Contact Person: Karen Harrington, DSS Director

Corrective Action/Management's Response:

Agency agrees with finding. Corrective Action taken/to be taken below:

Corrective Action:

The Department will strengthen internal controls related to workstation security to prevent unattended access to state systems. Effective immediately, all DSS employees with access to state eligibility systems are required to lock their workstation when away from their desk or log out of the system entirely.

Implementation Steps:

1. **Policy Reinforcement:** DSS management will reissue written guidance to all staff reminding them of the requirement to lock or log out of workstations when unattended, consistent with the DSS Fiscal Manual and county IT security standards.
2. **Mandatory Staff Acknowledgment:** All DSS employees with state system access will complete a brief acknowledgment confirming understanding of workstation security requirements.
3. **IT Controls:** In coordination with the County IT Department, automatic screen-lock settings will be verified on all DSS workstations accessing state systems.
4. **Monitoring and Verification:** Supervisors will conduct periodic unannounced walkthroughs to verify compliance with workstation security requirements. Results will be documented and reviewed by DSS management.
5. **Corrective Follow-Up:** Any noncompliance identified will be addressed promptly through retraining and, if necessary, progressive disciplinary action.

Responsible Party:

DSS Director, DSS Program Managers, and County DSS Staff

Anticipated Completion Date:

Immediately upon issuance of this CAP; monitoring will be ongoing.

Plan to Prevent Recurrence:

Ongoing supervisory monitoring, documented compliance checks, and annual refresher training will be used to ensure continued adherence to workstation security requirements.

CATAWBA COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

None reported.

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

| <u>Grantor/Program Title</u> | <u>Federal AL 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>U.S. Department of Agriculture</u> Passed through N.C. Department of Health and Human Services <u>Division of Public Health</u> | | | | | |
| WIC Special Supplemental Nutrition Program for Women Infant and Children | 10.557 | 13A218 | \$ 754,699 | \$ - | \$ - |
| Total Division of Public Health | | | <u>754,699</u> | <u>-</u> | <u>-</u> |
| <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 | 1,997,588 | 49,726 | - |
| Total SNAP Cluster | | | <u>1,997,588</u> | <u>49,726</u> | <u>-</u> |
| Total Division of Social Services | | | <u>1,997,588</u> | <u>49,726</u> | <u>-</u> |
| <u>U.S. Department of Treasury</u> Direct Program: COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 21.027 | n/a | 5,523,852 | - | 1,798,625 |
| <u>U.S. Department of Treasury</u> Direct Program: Equitable Sharing Program | 21.016 | n/a | <u>60,238</u> | <u>-</u> | <u>-</u> |
| <u>U.S. Department of Health and Human Services</u> <u>Administration of Children and Families</u> Passed through N.C. Department of Health and Human Services Subsidized Child Care <u>Child Care Development Fund Cluster:</u> ³ <u>Division of Social Services</u> Child Care Development Mandatory and Matching Funds of the Child Care and Development Fund -Administration ³ (Note 3) | 93.596 | G1701NCCCDF | 248,934 | - | - |
| Total Child Care Development Fund/Subsidized Child Care Cluster (Note 3) | | | <u>248,934</u> | <u>-</u> | <u>-</u> |
| <u>Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 3)</u> ³ <u>Foster Care Title IV-E</u> | | | | | |
| Title IV-E Foster Care | 93.658 | 1701NCFOST | 1,517,100 | 130,187 | - |
| Title IV-E Administration County Paid- Direct Benefit Payments | 93.658 | 1701NCFOST | 485,565 | 173,828 | - |
| <u>Adoption Assistance</u> Title IV-E Adoption | 93.659 | WC-302 | 242,732 | - | - |
| Title IV-E Adoption Training | 93.659 | 1701NCADPT | 11,544 | - | - |
| Total Foster Care , Adoption, and Guardianship Assistance Program Cluster ³ | | | <u>2,256,941</u> | <u>304,015</u> | <u>-</u> |
| Social Services Block Grant - Adult Day Care | 93.667 | G1701NCSOSR | 139,458 | 69,162 | - |
| Social Services Block Grant - Child Protective Services | 93.667 | G1701NCSOSR | 224,363 | - | - |
| Social Services Block Grant - In Home Services | 93.667 | G1701NCSOSR | 9,509 | - | - |
| Social Services Block Grant - Other Services and Training | 93.667 | G1701NCSOSR | 801,463 | - | - |
| Total Block Grant | | | <u>1,174,793</u> | <u>69,162</u> | <u>-</u> |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood ³ Administrative and Services | 93.674 | 1701NC1420 | 34,549 | 8,637 | - |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood ³ - Direct Benefit Payments | 93.674 | 1701NC1420 | <u>7,874</u> | <u>-</u> | <u>-</u> |
| Total John H. Chafee Foster Care Program for Successful Transition to Adulthood ³ | | | <u>42,423</u> | <u>8,637</u> | <u>-</u> |
| <u>Temporary Assistance for Needy Families</u> Temporary Assistance for Needy Families State Program | 93.558 | 13A1515118 | 34,394 | - | - |
| Temporary Assistance for Needy Families - DSS Work First Pass Thru | 93.558 | 1701NCTANF | 2,287,517 | - | - |
| Total TANF | | | <u>2,321,911</u> | <u>-</u> | <u>-</u> |
| Special Children Adoption Fund Cluster (Note 3) | | | | | |
| Mary Lee Allen Promoting Safe and Stable Families - Post Adoption Grant | 93.556 | 1701NCFPSS, 32169-16 | 50,425 | - | - |
| Mary Lee Allen Promoting Safe and Stable Families - Post Adoption Support Services | 93.556 | 2303NCFPSS | 595,428 | - | - |
| Stephanie Tubbs Jones Child Welfare Services Program | | | | | - |
| - Permanency Planning - Families for Kids | 93.645 | G1701NCCWSS | <u>37,556</u> | <u>-</u> | <u>-</u> |
| Total Special Children Adoption Fund Cluster (Note 3) | | | <u>683,409</u> | <u>-</u> | <u>-</u> |

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

| Grantor/Program Title | Federal AL Number | State Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Pass-through to Subrecipient |
|---|----------------------------------|---|---|-------------------------------|---|
| Child Support Services | 93.563 | 1704NC4005 | 1,479,918 | - | - |
| Child Support Services Incentives | 93.563 | 1704NC4005 | 247,950 | - | - |
| Total Services | | G17B1NCLIEA | 1,727,868 | - | - |
| Community Services Block Grant | 93.569 | 32179 | 336,730 | - | - |
| Low Income Home Energy Assistance | | | | | |
| Weatherization Assistance and Heating and Air Repair | 93.568 | G17B1NCLIEA | 104,488 | - | - |
| Total Low-Income Home Energy Assistance ³ | | G17B1NCLIEA | 104,488 | - | - |
| <u>Centers for Medicare and Medicaid Services</u> | | | | | |
| <u>Medicaid Cluster:</u> | | | | | |
| <u>Division of Medical Assistance</u> | | | | | |
| Grants to States for Medicaid - Case Management Medicaid Waiver | 93.778 | XIX-MAP24 | 648,229 | - | - |
| Grants to States for Medicaid - Medical Equipment and Supplies | 93.778 | XIX-MAP24 | 70,430 | - | - |
| Grants to States for Medicaid | 93.778 | XIX-MAP21 | 5,491,741 | 473,670 | - |
| Total Medicaid Cluster | | | 6,210,400 | 473,670 | - |
| <u>Children's Health Insurance Program</u> | | | | | |
| Children's Health Insurance Program | 93.767 | CHIP24 | 554,627 | 177,901 | - |
| <u>Centers for Disease Control and Prevention</u> | | | | | |
| Passed through N.C. Department of Health and Human Services | | | | | |
| <u>Division of Public Health</u> | | | | | |
| COVID-19 Public Health Emergency Preparedness Affordable Care Act (ACA) Personal Responsibility Education Program | 93.069 | 12642680 | 36,933 | - | - |
| Family Planning Services | 93.217 | 13A15900FP18 | 77,353 | - | - |
| Immunization Cooperative Agreements | 93.268 | 1331631EEJ18 | 34,744 | - | - |
| COVID-19 Immunization Cooperative Agreements | 93.268 | 1331631518 | 18,223 | - | - |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898 | 13203100D7 | 16,350 | - | - |
| HIV Care Formula Grants - Ryan White Care Act | 93.917 | 1460559818 1460851A18 | 27,299 | - | - |
| Centers of Disease Control and Prevention Collaboration with Academia to Strengthen Public Health | 93.967 | NE110E000015 | 49,929 | - | - |
| Sexually transmitted diseases (STD) Prevention and control grants | 93.977 | 1311463A18 | 100 | - | - |
| Preventive Health and Health Services Block Grant | 93.991 | 13114536PH18 12615503PH18 | 34,526 | - | - |
| Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health | 93.421 | 6NU380T000306-05-01 | 16,500 | - | - |
| Total | | | 311,957 | - | - |
| <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 | 12715318AR18 12715745AR18 13A15735AP18 | 92,956 | - | - |
| <u>Administration for Community Living</u> | | | | | |
| Passed through Western Piedmont Council of Governments | | | | | |
| <u>Aging Cluster</u> | | | | | |
| <u>Division of Social Services</u> | | | | | |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers, | 93.044 | 23/24 AANCT3SS | 15,572 | 2,410 | - |
| Title III C | | | | | |
| Special Programs for the Aging - Title III, Part C-Nutrition Services | 93.045 | 23/24 AANCT3HD | 226,058 | 33,010 | - |
| Special Programs for the Aging - Title III, Part C-Nutrition Services | 93.045 | 23/24 AANCT3CM | 126,647 | 7,450 | - |
| Nutrition Services Incentive Program | 93.053 | 23/24 AANCT3CM | 48,483 | - | - |
| Nutrition Services Incentive Program | 93.053 | 23/24 AANCT3CM | 15,969 | - | - |
| Total Aging cluster | | | 432,729 | 42,870 | - |
| Total U.S. Department of Health and Human Services | | | 16,500,166 | 1,076,255 | - |
| <u>U.S. Department of Housing and Urban Development</u> | | | | | |
| Passed through N.C. Department of Commerce | | | | | |
| Community Development Block Grant - Scattered Site Housing | 14.228 | 19-c-3125 | 74,238 | - | - |
| | | | 74,238 | - | - |

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

| Grantor/Program Title | Federal AL Number | State Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Pass-through to Subrecipient |
|--|----------------------------------|---------------------------------------|---|-------------------------------|---|
| <u>Department of Homeland Security</u> | | | | | |
| Passed through N.C. Department of Public Safety | | | | | |
| <u>Federal Emergency Management Agency</u> | | | | | |
| State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program | 97.137 | 2280030 | 17,705 | - | - |
| Emergency Management Performance Grant | 97.042 | 1500-8016-35HD | 35,000 | - | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | | 6,046 | - | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | | 4,984 | - | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | | 139,793 | - | - |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | | 93,423 | - | - |
| Total Department of Homeland Security | | | 296,951 | - | - |
| US Department of Commerce | | | | | |
| <u>National Telecommunications and Information Administration (NTIA)</u> | | | | | |
| Passed through N.C. Department of Information Technology | | | | | |
| State Digital Equity Capacity Grant | 11.032 | | 100,061 | - | - |
| | | | 100,061 | - | - |
| <u>Department of Justice</u> | | | | | |
| <u>Office of Justice Programs</u> | | | | | |
| Direct Program: Comprehensive Opioid, Stimulant, and other Substance Use Program | 16.838 | 2020-AR-BX-0127 | 20,653 | - | 20,653 |
| Direct Program: Comprehensive Opioid, Stimulant, and other Substance Use Program | 16.838 | 15PJD-23-GG006566-COAP | 161,171 | - | 161,171 |
| Direct Program: Treatment Court Discretionary Grant Program | 16.585 | 15PJD-23-GG-00877-DGCT | 123,403 | - | 123,403 |
| Direct Program: Treatment Court Discretionary Grant Program | 16.585 | 2020-VC-BX-0118 | 73,442 | - | 73,442 |
| Direct Program: Treatment Court Discretionary Grant Program | 16.585 | 15PBIA-22-GG-03965-DGCT | 173,137 | - | 173,137 |
| Direct Program: Veterans Treatment Court Discretionary Grant Program | 16.043 | 15PBIA-23-GG-05240-VTCX | 215,901 | - | 215,901 |
| Direct Program: Comprehensive Opioid, Stimulant, and other Substance Use Program | 16.838 | 15PBIA-23-GG-04515-COAP | 213,049 | - | 213,049 |
| Direct Program: Equitable Sharing Program | 16.922 | 1123-0022 | 181,737 | - | - |
| Total | | | 1,162,493 | - | 980,756 |
| <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> | | | | | |
| Enhanced Mobility of Seniors & Individuals with Disabilities | 20.513 | 51001.68.6.3/51001.68.7.3 | 156,098 | 14,188 | - |
| Total Transit Services Program Cluster | | | 156,098 | 14,188 | - |
| <u>The Institute of Museum and Library Services</u> | | | | | |
| Passed through N.C. Department of Natural and Cultural Resources | | | | | |
| Grants to States | | | | | |
| Library Services & Technology Act (LSTA) State Grants -Scholarships | 45.310 | nc-21-04 | 48,772 | - | - |
| Total Federal Awards and State Matches | | | 26,675,156 | 1,140,169 | 2,779,381 |
| State Awards: | | | | | |
| <u>N.C. Department of Health and Human Services</u> | | | | | |
| <u>Division of Public Health</u> | | | | | |
| Other Receipts/State Supported Expenditures | | | | | |
| Breast and Cervical Cancer Program | n/a | 132055990018 | - | 20,800 | - |
| Care Management for High-Risk Pregnancies | n/a | 13A151070018 | - | 50,000 | - |
| Communicable Disease Pandemic Recovery-SFRF | n/a | 25F10249N0018 | - | 138,580 | - |
| Aid-to-Counties | n/a | 116141100018.00 | - | 102,745 | - |
| Family Planning - State | n/a | 13A157350018 | - | 10,290 | - |
| Food and Lodging Fees | n/a | 115347525Z18 | - | 64,647 | - |
| General Communicable Disease Control | n/a | 117545100018.00 | - | 8,197 | - |
| High Risk Maternity Clinic | n/a | 13A157460018 | - | 110,407 | - |
| School Nursing Funding Initiative | n/a | 133253580018.00 | - | 200,000 | - |
| State Fiscal Recovery Funds | n/a | 131204-2BTS190 | - | 82,804 | - |
| Tuberculosis Control | n/a | 146045510018 146045540018 | - | 24,976 | - |
| <u>Division of Mental Health/Developmental Disabilities and Substance Abuse Services</u> | | | | | |
| <u>Grantor/Program Title</u> | | | | | |
| <u>Division of Social Services</u> | | | | | |
| Child Protective Services Caseload Reduction | n/a | WC 302 | - | 308,896 | - |
| Foster Care Kinship | n/a | WC 302 | - | 92,258 | - |
| Extended Foster Care Maximization Non Title IV-E- | n/a | WC 302 | - | 70,010 | - |
| Foster Care at Risk Maximization- Direct Benefit Payments | n/a | WC 302 | - | 8,556 | - |
| SFHF Maximization- Direct Benefit Payments | n/a | WC 302 | - | 588,907 | - |
| State Foster Home- Direct Benefit Payments | n/a | WC 302 | - | 190,680 | - |

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

| Grantor/Program Title | Federal AL Number | State Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Pass-through to Subrecipient |
|---|----------------------------------|---------------------------------------|---|-------------------------------|---|
| <u>NC Partnership for Children</u> | | | | | |
| Smart Start - Public Health | n/a | 1711174040.00 | - | 148,658 | - |
| Smart Start - Division of Social Services Administration | n/a | 1711174040.00 | - | 49,261 | - |
| Smart Start - Early Childhood Support Team | n/a | WC 302 | - | 545,936 | - |
| <u>N.C. Department of Public Safety</u> | | | | | |
| <u>Division of Juvenile Justice</u> | | | | | |
| Conflict Resolution | n/a | 1901-536301 | - | 97,797 | - |
| Mentoring | n/a | 1901-536301 | - | 4,549 | - |
| Planning | n/a | 1901-536301 | - | 12,638 | - |
| Cognitive Connections | n/a | 1901-536301 | - | 71,725 | - |
| Repay-Psych Services | n/a | 1901-536301 | - | 21,491 | - |
| Repay Just Girls | n/a | 1901-536301 | - | 27,985 | - |
| Repay | n/a | 1901-536301 | - | 56,127 | - |
| Justice Assistance Grant | n/a | 1901-536301 | - | 23,600 | - |
| Shining Hope Farms | n/a | 1901-536301 | - | 20,913 | - |
| Aspire Vocational Direction | n/a | 1901-536301 | - | 71,000 | - |
| Aspire Kids at Work | n/a | 1901-536301 | - | 47,000 | - |
| <u>N.C. Department of Agriculture and Consumer Services</u> | | | | | |
| Soil and Water Technical Assistance | n/a | 10PN0003604959 | - | 23,319 | - |
| Soil and Water Conservation Matching Fund | n/a | G401002890155 | - | 3,600 | - |
| Streamflow Rehabilitation Assistance Program | n/a | 22-080-0158 | - | 58,245 | - |
| <u>N.C. Department of Natural and Cultural Resources</u> | | | | | |
| <u>Library Department</u> | | | | | |
| Library State Aid Grant | n/a | 46PT0006550034 | - | 184,298 | - |
| <u>N.C. Department of Administration</u> | | | | | |
| <u>Division of Veterans Affairs</u> | | | | | |
| Veterans Service Community Grant | n/a | 13PT0011467165 | - | 2,273 | - |
| <u>N.C. Department of Public Instruction</u> | | | | | |
| Public School Building Capital Fund - Needs Based | n/a | LEA 182 | - | 19,964,979 | - |
| Public School Building Capital Fund - Lottery Funds | n/a | LEA 180,181,182 | - | 1,578,345 | - |
| <u>N.C. Office of State Budget and Management</u> | | | | | |
| Register of Deeds Preservation Grant | n/a | 2027RD3 | - | 2,714 | - |
| Special Appropriations | | | | | |
| Direct Grant - Catawba County Sheriff Department | | 20931 | - | 89,161 | - |
| Direct Grant - NCAOC Veterans Treatment Court Grant | | S.L. 2022-74 | - | 125,000 | - |
| Direct Grant - Medication Assisted Treatment in Jails | | S.L. 2021-80 | - | 125,000 | - |
| <u>N.C. Housing Trust Fund</u> | | | | | |
| Passes through NC Housing Finance Agency | | | | | |
| Urgent Repair | n/a | URP2023 | - | 53,581 | - |
| Urgent Repair | n/a | URP2024 | - | 36,128 | - |
| <u>Other Financial Assistance</u> | | | | | |
| Opioid Settlement | n/a | | - | 347,678 | - |
| Total State Awards | | | - | 25,865,754 | - |
| Total Federal and State Awards | | | \$ 26,675,156 | \$ 27,005,923 | \$ 2,779,381 |

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

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, 2025. 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, Special Children Adoption Fund and Foster Care, Adoption, and Guardianship Assistance Program.

4. Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State Single Audit requirements.