

**PITT COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PITT COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 the Uniform Guidance and the State Single Audit Implementation Act	3-6
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	7-10
Schedule of Findings, Responses, and Questioned Costs	11-19
Corrective Action Plan	20-21
Summary Schedule of Prior Year Audit Findings	22
Schedule of Expenditures of Federal and State Awards	23-26

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

To the Board of Commissioners
Pitt County
Greenville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pitt County, North Carolina, as of and for the year ended June 30, 2024, not presented here, and the related notes to the financial statements, which collectively comprise Pitt County's basic financial statements, and have issued our report thereon dated January 13, 2025. Our report includes a reference to other auditors who audited the financial statements of the Pitt County ABC Board, as described in our report on Pitt County's financial statements. The financial statements of the Pitt 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 Pitt County ABC Board or that are reported on separately by those auditors who audited the financial statements of the Pitt County ABC Board.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pitt 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 Pitt County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pitt 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Finding

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

Purpose of This Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 13, 2025

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Pitt County
Greenville, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pitt 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 Pitt County's major federal programs for the year ended June 30, 2024. Pitt 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, Pitt 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Pitt 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 Pitt 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 Pitt 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 Pitt 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 Pitt 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 Pitt 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 Pitt 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 the Pitt County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-002, 2024-003, 2024-004, and 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Pitt County's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Pitt County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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. However, as discussed below, we did identify 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 deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-002, 2024-003, 2024-004 and 2024-005 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-006 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 Pitt County's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Pitt County's responses were not subjected to the other 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pitt County as of and for the year ended June 30, 2024, and have issued our report thereon dated January 13, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

January 13, 2025

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 the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Pitt County
Greenville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Pitt 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 Pitt County's major state programs for the year ended June 30, 2024. Pitt 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, Pitt County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

We are required to be independent of Pitt 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 Pitt 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 Pitt 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 Pitt 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 Pitt 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 Pitt 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 Pitt 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 Pitt County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2024-002, 2024-003, and 2024-005. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Pitt County's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Pitt County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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. However, as discussed below, we did identify 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 state 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 state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-002, 2024-003, and 2024-005 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2024-006 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 Pitt County's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Pitt County's responses were not subjected to the other 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pitt County as of and for the year ended June 30, 2024, and have issued our report thereon dated January 13, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

January 13, 2025

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

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? Yes

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:

<u>Federal Program</u>	<u>AL#</u>
Supplemental Nutrition Assistance Program Cluster	10.561
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Formula Grants for Rural Areas and Tribal Transit Program	20.509
Aging Cluster	93.044
Covid-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354
Temporary Assistance for Needy Families	93.558
Medicaid Cluster	93.778

Dollar threshold used to distinguish between Type A and Type B Programs \$ 907,746

Auditee qualified as low-risk auditee? No

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

State Awards

Internal control over major state programs:

- Material weakness(es) identified? Yes
- 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

Formula Grants for Rural Areas and Tribal Transit Program
Medicaid Cluster
Public School Building Capital Fund
State Foster Care

Auditee qualified as state low-risk auditee? No

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

2. Financial Statement Findings

Finding 2024-001

Significant Deficiency

Criteria: Management should have an adequate system of internal control procedures in place to restrict physical access to the finance department suite, and sensitive information contained therein, to only authorized personnel.

Condition: A business officer in another department was granted unrestricted physical access to the building and suite which includes the finance department offices. The access was granted by information technology personnel via an access card meant to restrict physical access within the County to authorized individuals, which was against the County's information technology procedures.

Context: A routine review of access logs revealed that one employee outside of the finance department was able to obtain physical access to the finance department outside of business hours. The access was not authorized and was not necessary for the employee's job duties.

Effect: A breach of physical access controls creates an opportunity for unauthorized individuals to access sensitive employee and financial reporting information and documents.

Cause: The physical access at the County is controlled via access cards based on each employee's job duty requirements. An information technology employee in one department granted the access against the County's policy.

Recommendation: Additional training should be provided to information technology employees regarding physical access restriction procedures.

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

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

3. Federal Award Findings, Responses 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-MAP23

Finding 2024-002

Non-Material Non-Compliance

Material Weakness, Eligibility

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

Condition: The County Department of Social Services had one case file with evidence that did not match the online data verification system.

Context: Of the 1,642,149 benefit payments valued at \$651,425,953, we examined 60 payment records (\$45,425 value) and determined that one casefile (2%) was not properly updated on the online data verification system.

Effect: Casefile information was not properly updated on the online data verification system resulting in incorrect calculation of eligibility benefits, but the applicant remained eligible due to still meeting threshold requirements.

Cause: Online data verification system was not properly updated resulting in eligibility benefit determination not being properly calculated. Second party review quarterly reports were not being timely submitted, resulting in failure to meet compliance requirements for submissions.

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

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

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

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

3. Federal Award Findings, Responses and Questioned Costs (continued)

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-MAP23

Finding 2024-003

Non-Material Non-Compliance **Material Weakness, Eligibility**

Criteria: In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that second party review quarterly reports are submitted timely and accurately before the required due date. Second party reviews are an essential tool in monitoring eligibility determinations.

Condition: The county did not timely perform and submit second party review documents for two of the quarterly reports (third and fourth quarter).

Context: Of the four quarterly reports that were submitted, two of them were not submitted timely. The third quarter report was submitted nine days after the required due date and the fourth quarter report was submitted 25 days after the due date.

Effect: The County did not have internal controls being properly followed for timely completion of second part reviews and submission of the required reports. The third and fourth quarter reports for second party review were not submitted until after the required due date.

Cause: Lack of internal controls being followed to ensure proper and timely second party reviews and submission of the second party review quarterly reports.

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

Recommendations: Management should review quarterly reports to ensure that timely and accurate second party reviews are being performed and reports are being submitted by the required due date.

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

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

3. Federal Award Findings, Responses and Questioned Costs (continued)

U.S. Department of Agriculture

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

Program Name: Supplemental Nutrition Assistance Program (SNAP) Cluster

AL Number: 10.561

Grant Number: SNAP SAE

Finding 2024-004

Non-Material Non-Compliance

Material Weakness, Allowable Cost

Criteria: In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that activities allowed and allowable cost policies are implemented and functioning as intended. Management must monitor activities under federal awards to assure compliance with federal requirements. Management should have an adequate system of internal control procedures in place to properly review and assess the eligibility of payroll costs to ensure the accuracy of the payroll costs charged is within program requirements. In accordance with 24 CFR section 990, verification of accuracy of information used in determining payroll costs to be charged to the program should be maintained.

Condition: An employee was demoted resulting in them not having to complete day sheets and requiring ADM time to be reported. Management did not update in NC CORELS and copied prior month day sheets to pay employee resulting in inappropriately charged amounts to the SNAP program.

Context: Of the 570 expenditures during the current year valued at \$671,155, we examined 40 (valued at \$166,725) and determined that 1 (2% valued at \$3,893) expenditure did not have proper documentation to support accuracy of payroll costs.

Effect: Salaries allocated to the program did not have approved time sheets to verify the accuracy of the hours charged.

Cause: Due to employee being demoted and not updated in NC CORELS, employee was paid with inappropriate charged expenses to the SNAP program.

Questioned Costs: In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. Even though the sample results only identified \$3,893 in known questioned costs, if tests were extended to the entire population, questioned costs could exceed \$25,000.

Recommendations: Management should ensure that employees being paid in NC CORELS are being paid according to proper pay codes and requirements.

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

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

3. Federal Award Findings, Responses and Questioned Costs (continued)

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-MAP23

Program Name: Supplemental Nutrition Assistance Program (SNAP) Cluster

AL Number: 10.561

Grant Number: SNAP SAE

Program Name: Temporary Assistance for Needy Families

AL Number: 93.558

Grant Number: 1701NCTANF

Finding 2024-005

Non-Material Non-Compliance

Material Weakness, Reporting

Criteria: In accordance with the DSS Fiscal Manual, Section II, travel expenditures must be within allowable limits in accordance with a county wide travel plan. In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that activities allowed and allowable cost policies are implemented and functioning as intended. Management should have an adequate system of internal control procedures in place to properly review and assess travel expense reimbursement to ensure that proper mileage rates are being used when calculating travel reimbursement expense checks.

Condition: Employee used FY25 mileage rate when entering mileage to be reimbursed and management missed it during reconciliation of requisition. County did not maintain all receipts necessary to support the claim with signatures from employees and supervisors.

Context: Employee keyed the wrong fiscal year mileage rate and resulting in them being improperly reimbursed. Employee was paid for \$108 instead of correctly calculated amount of \$106.

Effect: County overpaid in travel reimbursement expenses to employee and did not maintain adequate receipts necessary to support claim.

Cause: Employee keyed in FY25 mileage rate instead of FY24 mileage rate when entering mileage for reimbursement.

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

Recommendations: Management should ensure that employees being paid in NC CORELS are being paid according to proper pay codes and requirements.

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

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

3. Federal Award Findings, Responses and Questioned Costs (continued)

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-MAP23

Program Name: Supplemental Nutrition Assistance Program (SNAP) Cluster

AL Number: 10.561

Grant Number: SNAP SAE

Program Name: Temporary Assistance for Needy Families

AL Number: 93.558

Grant Number: 1701NCTANF

Finding 2024-006

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.

Identification of Repeat Finding: This is a repeat finding from the immediate previous audit, 2023-001.

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.

PITT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

4. State Award Findings, Responses 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-MAP23

Finding 2024-002 – In accordance with Medicaid requirements, DSS employees should ensure that information is properly being updated in the Online verification database system to ensure that eligibility calculation is being properly calculated. See more at finding 2024-002 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.

Finding 2024-003 – In accordance with Medicaid requirements, DSS employees should ensure that second party review are performed and quarterly reports are being accurately and timely submitted before required due dates. See more at finding 2024-003 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.

Finding 2024-005 – In accordance with the Division of Social Services Fiscal Manual, mileage expenditures must be within allowable limits. See more at Finding 2024-005 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.

Finding 2024-006 – 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 2024-006 in Section 3 – Federal Award Findings, Responses, and Questioned Costs.

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

Finding 2024-001

Name of Contact Person: Sam Croom, Finance Director

Corrective Action/Management Response: There are two card access systems used at the County. The legacy system controls the finance area and only has one level of IT staff account which does not limit privileges once logged into the system. The newer access card system has the ability to limit IT staff privileges and management by specific building locations. In recent years, no card access doors have been added to the legacy system, and doors are being migrated to the new system as budget allows.

An IT staff person outside the central management information systems department assigned an incorrect access group number in the legacy access card system to an employee access card, and implemented the access change without an authorized service ticket. Once discovered the access group was corrected.

IT staff have been reminded and trained on current policy and procedures. Periodic reviews of system access logs have been implemented to minimize changes outside of authorized service tickets.

Proposed Completion Date: 8/31/2024

Finding 2024-002

Name of Contact Person: Sharon Rochelle, DSS Director

Corrective Action/Management Response: Staff training is ongoing and was completed to remind of importance of running on lines at recertification and updated income.

Proposed Completion Date: 11/30/2024

Finding 2024-003

Name of Contact Person: Sharon Rochelle, DSS Director

Corrective Action/Management Response: Supervisor responsible for submitting report has become more familiar with the due dates in which this report is due. In addition, a reminder has been placed on the Outlook calendar to ensure that the report is completed timely. This practice has seemed to work as the report submitted for the 1st quarter was submitted timely.

Proposed Completion Date: 11/21/2024

Finding 2024-004

Name of Contact Person: Sharon Rochelle, DSS Director

Corrective Action/Management Response: We will double check to make sure all employees are reported correctly.

Proposed Completion Date: 12/1/2024; we will check monthly

Finding 2024-005

Name of Contact Person: Sharon Rochelle, DSS Director

Corrective Action/Management Response: We will have another Accounting Technician II audit to be sure all checks and requisitions match.

Proposed Completion Date: 12/1/2024; we will check weekly

Finding 2024-006

Name of Contact Person: Sharon Rochelle, DSS Director

Corrective Action/Management Response: We will get with MIS to see if they can reduce the amount of time the computer auto locks as well as doing checks to ensure all unattended computers are locked.

Proposed Completion Date: 12/1/2024

PITT COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

Finding: 2023-001

Status: Repeated as finding 2024-006 in current year.

PITT COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Pass-through to Subrecipients
Federal Grants:					
U.S Department of Agriculture					
Passed-through N.C. Department of Health and Human Services					
Division of Social Services					
Supplemental Nutrition Assistance Program (SNAP) Cluster:					
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SNAP SAE	\$ 83,566	\$ -	\$ -
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program - Administration	10.561	SNAP SAE	2,216,359	-	-
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			2,299,925	-	-
Division of Public Health:					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	DPH WIC	837,231	-	-
Total U.S. Department of Agriculture			3,137,156	-	-
U.S. Department of Housing and Urban Development					
Office of Community Planning and Development					
Passed-through N.C. Coalition to End Homelessness					
Administered by Pitt County Planning Department					
Continuum of Care Program	14.267	NC0409L4F032002	55,551	-	-
Continuum of Care Program	14.267	nc0409l4f032204	55,225	-	-
Continuum of Care Program	14.267	nc0409l4f032103	10,777	-	-
Total Continuum of Care Program			121,553	-	-
Passed-through NC Department of Health and Human Services					
Division of Aging and Adult Services					
Emergency Solutions Grant Program 2023	14.231	Contract #45287	47,581	-	-
Emergency Solutions Grant Program 2024	14.231	Contract #46779	41,127	-	-
Total U.S. Department of Housing and Urban Development			210,261	-	-
U.S. Department of Justice					
Bureau of Justice Assistance					
Office of Justice Programs					
Administered by Pitt County Sheriff's Department					
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2019-MO-BX-0007	2,194	-	-
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838		397,717	-	-
State Criminal Alien Assistance Program	16.606		7,302	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738		35,306	-	-
Gun Crime Intelligence Center			442,519	-	-
Total Office on Office of Justice Programs					
Total U.S. Department of Justice			442,519	-	-
U.S. Department of Treasury					
Direct Program:					
Covid-19 Coronavirus State Local Fiscal Recovery Funds	21.027		8,893,764	-	-
Passed-through NC Department of Health and Human Services					
Covid-19 Coronavirus State Local Fiscal Recovery Funds	21.027	Contract #46842	2,840	-	-
Total U.S. Department of Treasury			8,896,604	-	-
U.S. Department of Transportation					
Federal Transit Administration					
Passed-through N.C. Department of Transportation					
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.82.15.1/36233.82.16.1	170,938	116,284	-
Total U.S. Department of Transportation			170,938	116,284	-
U.S. Department of Homeland Security					
Federal Emergency Management Agency					
Passed-through N.C. Department of Public Safety					
Division of Emergency Management					
Administered by Pitt County Emergency Services Department					
Emergency Management Performance Grants	97.042	EMPG-2016-37147	53,133	-	-
Administered by Pitt County Emergency Services Department					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4393-NC	90,844	-	-
Administered by Pitt County Planning Department					
Hazard Mitigation Grant	97.039	HMPG 4285-0063-R	470,994	-	-
Total U.S. Department of Homeland Security			614,971	-	-
U.S. Department of Health and Human Services					
Administration For Community Living					
Division of Aging and Adult Services					
Passed-through Mid East Commission-Region Q					
Aging Cluster:					
Special Programs for the Aging - Title III Part B Grants for Supportive Services and Senior Centers					
Administered by Pitt County Social Services Department					
Direct Benefit Payments:					
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers - Administered by Creative Living	93,044	NC01	99,185	10,195	109,380

PITT COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Pass-through to Subrecipients
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers - Administered by Council on Aging	93.044	NC01	498,376	26,230	524,606
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers - Administered by Board of Education	93.044	NC01	55,297	2,910	58,207
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers - Administered by Department of Social Services	93.044	NC01	320,760	32,970	353,730
Total Aging Cluster			973,618	72,305	1,045,923
Total Division of Aging			973,618	72,305	1,045,923
Administration For Children and Families					
Passed-through N.C. Department of Health and Human Services					
Division of Social Services					
Administered by Pitt County Social Services Department					
Foster Care, Adoption, and Guardianship Assistance Program Cluster: (Note 3)					
Administration:					
Foster Care Title IV-E	93.658	1701NCFOST	1,097,296	232,762	-
Adoption Assistance	93.659	1701NCADPT	30,354	-	-
Direct Benefit Payments:					
Foster Care Title IV-E	93.658	1701NCFOST	740,670	287,827	-
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			1,868,320	520,589	-
Temporary Assistance for Needy Families:					
Administration:					
Division of Social Services:					
Temporary Assistance for Needy Families - Work First	93.558	1701NCTANF	1,141,968	-	-
Division of Public Health					
Temporary Assistance for Needy Families	93.558	1701NCTANF	24,421	-	-
Total Temporary Assistance for Needy Families			1,166,389	-	-
Administration for Children and Families:					
Social Services Block Grant Cluster (Note 3)					
Social Services Block Grant	93.667	G1701NCSOSR	715,329	-	-
Social Services Block Grant - State In-Home Services	93.667	G1701NCSOSR	30,991	-	-
Social Services Block Grant - State In-Home Services - Over 60	93.667	G1701NCSOSR	29,048	-	-
Social Services Block Grant - Adult Day Care	93.667	G1701NCSOSR	-	910	-
COVID-19 Social Services Block Grant - APS Essential Services - ARPA	93.667	G1701NCSOSR	1,795	1,357	-
Social Services Block Grant - Adult Protective Services	93.667	G1701NCSOSR	48,233	-	-
Total Aging Cluster			825,396	2,267	-
Child Support Services	93.563	1704NC4005	2,366,632	-	-
Low-Income Home Energy Assistance (Admin)	93.568	G17B1NCLIEA	174,853	-	-
Low-Income Home Energy Assistance	93.568	G17B1NCLIEA	179	-	-
COVID-19 Low-Income Home Energy Assistance - Water Assistance - ARPA	93.568	G17B1NCLIEA	20,861	-	-
COVID-19 Low-Income Home Energy Assistance - Water Assistance - ARPA (Admin)	93.568	G17B1NCLIEA	1,113	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	1701NC1420	42,352	10,588	-
Direct Benefit Payments:					
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	1701NC1420	14,369	-	-
Total Administration for Children and Families:			3,445,755	12,855	-
Refugee and Entrant Assistance Cluster (Note 3):					
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	1701NCRCMA	1,745	-	-
Total Refugee and Entrant Assistance Cluster			1,745	-	-
Special Children Adoption Fund Cluster (Note 3):					
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G1711NCFPCV	18,479	-	-
Total Special Children Adoption Fund Cluster			18,479	-	-
Total Division of Social Services			6,500,688	533,444	-
Centers for Medicare and Medicaid Services					
Passed-through N.C. Department of Health and Human Services					
Division of Medical Assistance					
Medicaid Cluster:					
Department of Social Services Administration:					
Medical Assistance Program	93.778	XIX-MAP21	5,087,085	186,441	-
Total Medicaid Cluster			5,087,085	186,441	-
Children's Health Insurance Program - NC Health Choice Administration	93.767	CHIP21	124,216	6,093	-
Total Division of Medical Assistance			5,211,301	192,534	-
Division of Social Services					
Subsidized Child Care Program Cluster (Note 3):					
Administered by Pitt County Social Services Department					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Admin	93.596	G1701NCCDF	504,471	-	-
Total Child Care Development Fund/Subsidized Child Care Program Cluster			504,471	-	-
Health Resources and Service Administration					
Passed-through the NC Department of Health and Human Services					
Division of Public Health					
13A15740AP, 12715351AP, 13A1530BJA, 13A15735AP74, 13A15700AR, 12715318AR, 12715745AR, 12715351AR	93.994		742,009	40,885	-
Maternal and Child Health Services Block Grant to the States					

PITT COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Pass-through to Subrecipients
Centers for Disease Control and Prevention					
Passed-through NC Dept. of Health and Human Services					
Division of Public Health					
Public Health Emergency Preparedness	93.069	1264680EN74, 1264680EQ74	41,322	-	-
Maternal and Child Health Federal Consolidated Programs	93.110	13A15148SN	7,976	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272ANF74/1460272ENF74	25,768	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	1175852ADH74, 1175852BDH74	29,000	-	-
COVID-19 Immunization Cooperative Agreements	93.268	2B0631520G0092002	294,543	-	-
Immunization Cooperative Agreements	93.268	2B0631E20G0093002	48,929	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	11754696HJ74	811,001	-	-
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	12642680CP	1,367,345	-	-
National and State Tobacco Control Program	93.387	12713410QF74	46,334	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310DD7	29,260	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917	2B0453620G0169002	11,836	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1311462BNB, 13114631NB	100	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH74	24,959	-	-
Office of Population Affairs					
Passed-through NC Dept. of Health and Human Services					
Family Planning Services	93.217	13A1592CFP, 13A1592CFP	115,310	-	-
Total Division of Public Health			3,595,692	40,885	-
Total U.S. Department of Health and Human Services			16,785,770	839,168	1,045,923
Total Federal Awards			30,258,219	955,452	1,045,923
State Grants:					
N.C. Housing Finance Agency					
Administered by Pitt County Planning Department					
Urgent Repair 2021			567	-	-
Urgent Repair 2022			113,830	-	-
Urgent Repair 2023			5,023	-	-
Total N.C. Housing Finance Agency			119,420	-	-
N.C. Department of Health and Human Services					
Division of Public Health					
Food and Lodging Fees			73,402	-	-
General Aid to Counties			96,963	-	-
Mosquito and Tick Suppression			6,451	-	-
Healthy Communities			22,352	-	-
High Risk Maternity Clinics			71,493	-	-
Tuberculosis Control			18,569	-	-
Child Health			7,396	-	-
General Communicable Disease Control			71,006	-	-
Maternal Health			20,429	-	-
HIV/STD State			2,811	-	-
Minority Diabetes Prevention Program			341,404	-	-
Positive Parenting Program (Triple P)			195,032	-	-
School Nurse Funding Initiative			250,000	-	-
Family Planning			69,833	-	-
Breast and Cervical Cancer Program			14,850	-	-
Women's Health Service Fund			20,655	-	-
Nurse Family Partnership			222,011	-	-
Special Nutrition			22,794	-	-
State Fiscal Recovery Funds			203,652	-	-
Total Division of Public Health			1,731,103	-	-
Administered by Pitt County Sheriff's Office					
Covid 19 Support for County Confinement Facilities			51,895	-	-
Division of Social Services					
Administered by Pitt County Social Services Department					
Administration:					
DCD Smart Start			33,681	-	-
State Child Welfare CPS			140,287	-	-
State Foster Care - Direct Benefit Payments:					
Extended Foster Care Maximization Non IV-E programs			50,616	-	-
Foster Care At Risk Maximization			12,642	-	-
Foster Care Kinship			24,739	-	-
SFHF Maximization/State Foster Home			794,832	-	-
Total Division of Social Services			1,056,797	-	-
Total N.C. Department of Health and Human Services			2,839,795	-	-
N.C. Department of Transportation					
Administered by Pitt County Financial Services Department					
Rural Operating Assistance Program (ROAP) Cluster:					
Rural General Public			102,319	-	-
Employment			50,608	10,000	-
EDTAP			112,243	112,243	-
Total Rural Operating Assistance Program (ROAP) Cluster			265,170	122,243	-
Total N.C. Department of Transportation			265,170	122,243	-

PITT COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	Federal AL Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Pass-through to Subrecipients
<u>N.C. Department of Public Safety</u>					
Division of Juvenile Justice					
Administered by Pitt County Financial Services Department					
Teen Court	536920		94,576	94,576	
Family Preservation - Methodist Home	536920		89,586	89,586	
Juvenile Restitution	536920		110,965	110,965	
Juvenile Crime Prevention Council	536920		5,983	5,983	
JCPC Pitt Therapeutic Foster Care	536920		68,013	68,013	
JCPC Youth Villages	536920		75,156	75,156	
Total Division of Juvenile Justice			444,279	444,279	
Division of Emergency Management					
Administered by Pitt County Emergency Services					
Hurricane Florence SARF (State Acquisition Relocation)			52,486	-	
Total Division of Emergency Management			52,486	-	
Total N.C. Department of Public Safety			496,765	444,279	
<u>N.C. Department of Agriculture and Consumer Services</u>					
Administered by Pitt Soil and Water					
Stream Debris Removal Project - Conetoc and Otter Creek	19-091-4022		32,142	-	
Otter Creek Stream Rehab Project			88,250	-	
Total N.C. Department of Agriculture and Consumer Services			120,392	-	
<u>N.C. Department of Public Instruction</u>					
Public School Bond Fund					
Public School Building Capital Fund			1,711,825	-	
<u>NC Administrative Office of the Courts</u>					
Administered by Financial Services					
Legislatively Directed Grant - Court Pilot Program			4,159	4,159	
<u>NC Department of Commerce</u>					
Administered by Economic Development					
NC Commerce Utility Grant - Ayden Rail Site Improvements			300,000	-	
<u>N.C. Department of Environmental Quality</u>					
Division of Waste Management					
Administered by Pitt County Solid Waste and Recycling Department					
Recycling Department					
Scrap Tire Disposal Grant			15,321	-	
Recycling Grant			28,638	-	
Total Recycling Department			43,959	-	
VW-On Road Program - Class 8			180,000	-	
Total N.C. Department of Environmental Quality			223,959	-	
<u>N.C. Department of Information Technology</u>					
Administered by Pitt County Emergency Management					
911 Portable Radio Grant			1,802	-	
Public Safety Answering Point Grant			24,505	-	
Total N.C. Department of Information Technology			26,307	-	
Total State Awards			6,107,792	570,681	
<u>Other Financial Assistance</u>					
NC Department of Justice					
Opioid Settlement Fund (Note 5)			245,453	-	
Total Federal and State Awards			\$ 30,258,219	\$ 7,308,697	\$ 1,616,604

Notes to the Schedule of Expenditures of Federal and State Awards:1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of Pitt County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Pitt County, it is not intended to and does not present the financial position, changes in net position or cash flows of Pitt 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 costs principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. **Federal Clusters**

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 Program
 Foster Care, Adoption, and Guardianship Assistance Program
 Refugee and Entrant Assistance
 Special Children Adoption Fund
 Social Services Block Grant

4. **Indirect Cost Rate**

Pitt County has elected not to use the 10% de-minimus indirect cost rate as allowed under the Uniform Guidance.

5. **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.