



State Auditor

**Dave Boliek**

## RAPID RESPONSE SPECIAL REPORT

North Carolina

Office of the State Auditor

Rapid Response Division

**1-800-730-TIPS**

April 20, 2026

# Hurricane Helene-Use of Mental-Health Funds at Select NC Community Colleges

## WHY WE CONDUCTED THIS REPORT

In the aftermath of Hurricane Helene, the Office of the State Auditor (OSA) has consistently monitored areas of concern related to the State of North Carolina's disaster preparedness efforts and response to the storm. As a part of this ongoing effort, OSA initiated a review of select expenditures made by three North Carolina community colleges that received Hurricane Helene-related Expanded Mental Health Support funds (EMHS Funds) through Session Law 2024-53.

## OBJECTIVES

To evaluate the use of EMHS Funds by Blue Ridge Community College, Gaston College, and Wilkes Community College (collectively, the Colleges), and to determine whether such use complied with the NC Community Colleges Accounting Procedures Manual and Reference Guide<sup>1</sup> and North Carolina Statewide Accounting Policy.<sup>2</sup>

## WHAT WE FOUND

- 1. Wellness and Comfort Purchases:** Among other things, the Colleges used EMHS Funds to pay for succulents, stress balls, T-shirts and gift sets, flowers, red light therapy, salt therapy, foot detoxes, and gentle-guided strolls that focused on bird songs.
- 2. Use of Funds for Campus Events:** Wilkes Community College's Financial Services Department approved the use of EMHS Funds to pay for pizza, gift cards, and event materials for a "Sobriety Bowl" hosted at the Alleghany Campus on January 28 and 30, 2025.
- 3. Documentation and Control Gaps:** Weaknesses in documentation and internal controls—such as undated handwritten invoices at Wilkes Community College and purchase orders issued after billing vendors at Gaston College—increase the risk of non-compliance with regulations and reduce financial accountability.
- 4. Prepayment Risks:** Gaston College used \$21,207.84 worth of EMHS Funds to pay for its Employee Assistance Program (EAP) through February 2028.

<sup>1</sup> [NC Community Colleges Accounting Procedures Manual & Reference Guide.](#)

<sup>2</sup> [101.03 - Statewide Accounting Policy - Prepaid Items | NCOSC.](#)

## WHAT WE FOUND cont.

The College also used \$14,040 for a mental health app, with the payment covering services through May 2027. Although the invoiced amounts benefited multiple fiscal periods, Gaston College claimed the full amounts as current-month expenditures in the documentation submitted to the North Carolina Community College System Office for disbursement.

## BACKGROUND

As part of the allocations made through Session Law 2024-53,<sup>3</sup> or “the Disaster Recovery Act of 2024 – Part II,” the General Assembly appropriated \$16.75 million to the North Carolina Community College System (NCCCS), including \$1.25 million designated for “Expanded Mental Health Support” for community college students and staff impacted by Hurricane Helene.<sup>4</sup> NCCCS is tasked with distributing the allocated funds to fourteen eligible community colleges in western North Carolina.<sup>5</sup>

As of December 31, 2025, the Governor’s Recovery Office for Western North Carolina (GROW NC)<sup>6</sup> reported that the eligible community colleges have spent \$464,044.35 (including 4,785.56 unpaid obligations), or 37.12% of the allotted funds, and that 7,735 students and 2,298 staff received support through this program.<sup>7</sup>

During a preliminary review of invoices charged to the Colleges’ respective general ledger accounts, OSA found that the Colleges charged expenditures related to recreation, general wellness, and hospitality events to their general ledger accounts designated for EMHS Funds.<sup>8</sup> Accordingly, OSA reviewed select transactions made by the Colleges to assess the nature of these purchases and the adequacy of the Colleges’ controls in fund disbursement.

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<sup>3</sup> [The Disaster Recovery Act of 2024-Part II S.L. 2024-53.](#)

<sup>4</sup> [Joint Conference Committee Report on the Disaster Recovery Act 2024 - Part II.](#)

<sup>5</sup> <https://wordpress.ncccommunitycolleges.edu/wp-content/uploads/2025/01/002-FC-Minutes-November-2024.pdf> at page 3.

<sup>6</sup> According to GROW NC’s website, “[t]he Governor’s Recovery Office for Western North Carolina (GROW NC) serves to facilitate collaboration, streamline communication, and accelerate recovery from Hurricane Helene. The work of this team is guided by Governor Stein with an emphasis on urgency, focus, transparency, and accountability.” <https://www.wncrecovery.nc.gov/who-we-are>.

<sup>7</sup> [Hurricane Helene Relief and Recovery State Fiscal Year 2026 Q2 Quarterly Report.](#)

<sup>8</sup> During OSA’s preliminary review of the eleven other community colleges in western North Carolina that received EMHS Funds, we found that those colleges did not appear to use their EMHS Funds in the manner Blue Ridge, Gaston, and Wilkes Community Colleges did. As a result, OSA’s review did not focus on those colleges’ EMHS Fund expenditures.

## FINDING 1 DETAILS & RECOMMENDATIONS

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### The Colleges Used Hurricane Helene EMHS Funds to Purchase Ancillary and Recreational Items

During our review, OSA found that the Colleges used EMHS Funds to pay for decorations, promotional items, alternative wellness, and recreation. As included in the Appendix, examples from the invoices provided by the Colleges include:

- **Blue Ridge Community College:** \$10,570.74 spent on 800 wellness journals and \$1,651 spent on succulents and succulent pots.
- **Gaston College:** \$5,223.24 spent on 2,000 rhinoceros-shaped stress balls.
- **Wilkes Community College:** \$350 spent on birdwatching, listening to bird songs, and observing wildflowers while walking along the public trails at W. Kerr Scott Dam and Reservoir.

The Colleges did not provide OSA documentation as to how these expenditures qualified to be charged to the EMHS Funds.

### **Recommendations:**

1. As a best practice, when purchasing items that may not clearly fit within the purpose of the EMHS Funds, the Colleges should work in tandem with NCCCS to determine which fund a given purchase should be charged to. Together, NCCCS and the Colleges should err on the side of charging such expenditures to the Colleges' institutional or student activity funds if the issue of fund classification remains unclear. Additionally, the Colleges should document the reason any such expense qualifies for use of the EMHS Funds.
2. The Community College System Office should review all special appropriations and work with the community colleges to ensure that expenditures comply with statutory and program requirements, if outlined, and to strengthen pre-approval and documentation controls for all such funds.
3. Any community college that has not yet spent its designated EMHS Funds should implement a pre-approval checklist before using the remaining funds. The checklist should include questions like: Is this purchase for a mental health service? If the answer is no, the expenditure should not be charged to the college's EMHS Funds.

## FINDING 2 DETAILS & RECOMMENDATIONS

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### Wilkes Community College’s Financial Services Department Approved Charging Expenditures Related to a “Sobriety Bowl” Event to the College’s EMHS Billing Code

In January 2025, Wilkes Community College charged costs for a “Sobriety Bowl”—including pizza and gift cards—to the College’s EMHS billing code. While the counseling services and related fliers offered during the event appear to align with the purpose of the EMHS Funds as described in the Joint Conference Committee Report on the Disaster Recovery Act of 2024 – Part II,<sup>9</sup> it is less clear whether Wilkes Community College was permitted to charge the items it purchased for the Sobriety Bowl—food, prizes, and gift cards—to its EMHS billing code.

Because this was a student event, it likely would have been more financially prudent for the College to charge the costs of the items mentioned above to its student activity or institutional fund rather than to its EMHS Funds. Doing so would have complied with Section 1E SBCCC 700.2 of the State Board of Community Colleges Code, which permits community colleges hosting “[s]tudent enrichment and student social activities” to use student activity fee receipts to “purchase [ ] goods or services needed to conduct the student activity[.]”<sup>10</sup>

#### **Recommendations:**

1. When an event has both a mental health and a hospitality component, Wilkes Community College should consider splitting the event costs by charging counseling-related expenditures to the College’s EMHS Funds and items like food, gift cards, and prizes to its student activity or institutional funds.
2. Wilkes Community College should track cost allocations for mixed-purpose events prior to issuing payments.

## FINDING 3 DETAILS & RECOMMENDATIONS

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### Documentation and Control Gaps

OSA identified multiple weaknesses in Gaston College and Wilkes Community College’s respective procurement documentation and controls. These weaknesses increase the risk of unauthorized purchases, improper payments, and lack of accountability as it concerns the use of their respective EMHS Funds.

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<sup>9</sup> [Joint Conference Committee Report on the Disaster Recovery Act 2024 - Part II.](#)

<sup>10</sup> [CC24-044-Amendment-to-1E-SBCCC-700.2-Student-Activity-Fees.pdf](#)

## **Gaston College**

All of the purchase orders (POs) attached to the invoices Gaston College submitted for review by OSA were dated after the invoices were received, meaning the POs were created to approve the payments after the fact rather than authorizing the purchases in advance.

In the College's written response to OSA, the College acknowledged that a verbal order had been made in certain cases, rather than issuing a purchase order at the time of the commitment. The College further confirmed that Gaston College had operated without a procurement officer for over a year, and that procurement responsibilities were being informally reassigned.

This practice bypasses the established internal control that POs must precede the obligation of funds. While post-dated POs serve to process payments, they do not prevent or control unauthorized purchases, creating a clear compliance and control gap.

## **Wilkes Community College**

The documentation submitted by Wilkes Community College to OSA during our review of the College's use of its EMHS Funds included a handwritten and undated invoice. This invoice, which was for red light therapy, was handwritten on a generic receipt form, undated, and did not include sufficient detail about the goods or services delivered.

In another instance, Wilkes Community College received an invoice for a dance class. Rather than paying the vendor who issued the invoice, the College paid an individual who appears to have provided the service. This mismatch between vendor and payee undermines accountability and increases risk of improper or unsupported disbursements.

Invoices that are handwritten, undated, lack sufficient detail about the goods or service delivered, and/or contain discrepancies between the vendor and payee do not meet basic documentation standards.

## **Recommendations:**

1. Gaston College should assess its procurement controls. Where appropriate, Gaston College should not approve payment for the invoice without a valid PO dated before the commitment and create a narrow emergency exception that requires written pre-approval from Gaston College's current Chief Financial Officer.
2. Wilkes Community College should reject undated invoices that lack sufficient detail and ensure that the payee's name and address on corresponding disbursements match the vendor's name and address listed on the invoice.

## FINDING 4 DETAILS & RECOMMENDATIONS

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### Prepayment Risks

On May 1, 2025, Gaston College received a single invoice totaling \$21,207.84 from MyGroup for EAP counseling. The invoice, which Gaston College billed to its EMHS Funds, consolidates multiple future coverage periods into one transaction and is summarized below in Table 1.

**Table 1: Invoice number 70397 dated May 1, 2025**

Coverage Period	Employee Type	Employee Count	Rate per Employee (\$)	Subtotal (\$)
5/1/2025-4/30/2026	Part-time	294	24.48	7,197.12
5/1/2026-4/30/2027	Part-time	294	24.48	7,197.12
5/1/2027-2/29/2028	Part-time	294	20.4	5,997.60
9/1/2025-2/29/2028	Full-time	400	2.04 <sup>a</sup>	816.00
			<b>Total</b>	<b>\$ 21,207.84<sup>b</sup></b>

<sup>a</sup> The amount \$2.04 reflects the rate adjustment for full-time employees as indicated on the invoice.

<sup>b</sup> On August 7, 2025, during the fiscal year-end closing process for FY 2025, which ended June 30, 2025, the College reclassified \$20,021.50 as prepaid assets.

On February 26, 2025, Gaston College received a single invoice totaling \$14,040.00 from Headspace, Inc. for mental wellness application subscription. The invoice, which Gaston College billed to its EMHS Funds, consolidates multiple future coverage periods into one transaction and is summarized below in Table 2.

**Table 2: Invoice number 19816 dated February 26, 2025**

Coverage Period	Service Description	Quantity	Rate (\$)	Subtotal (\$)
6/1/2025-5/31/2026	Mental wellness app subscription (employees & students)	900	7.8	7,020.00
6/1/2026-5/31/2027	Mental wellness app subscription (employees & students)	900	7.8	7,020.00
			<b>Total</b>	<b>\$ 14,040.00<sup>a</sup></b>

<sup>a</sup> On August 7, 2025, during the fiscal year-end closing process for FY 2025, which ended June 30, 2025, the College reclassified \$13,481.48 as prepaid assets.

Entering payments that span multiple future fiscal periods introduces prepayment risks. Although the invoices were issued as single transactions, they cover services through February 2028. As a result, payments were made before services were rendered, and future-year services could go unused or undelivered. If staffing, utilization, or funding changes before the end of the coverage period, recovering funds through proration, credit, or termination becomes difficult. In accordance with Section 101.03 of North Carolina’s Statewide Accounting Policy, payments that benefit future fiscal periods should be recorded as prepaid assets “and allocated to the period benefited” rather than being recorded as current expenditures.<sup>11</sup> Although the College reclassified \$20,201.50 and \$13,481.48 to prepaid assets at fiscal year-end, the transactions were initially recorded as current-year expenditures during the year. Recording multi-year service payments as current expenditures until year-end increases the risk that related monthly expenditure reports will not reflect the nature and timing of the underlying transactions.

**Recommendation:**

Gaston College should consult with the North Carolina Community College System Office to assess and address the risks associated with payments for services that extend to February 2028 per G.S. § 115D-58.3.<sup>12</sup>

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<sup>11</sup> [101.03 - Statewide Accounting Policy - Prepaid Items | NCOSC](#)

<sup>12</sup> [North Carolina General Statutes § 115D-58.3 \(2023\). Provision for disbursement of State money.](#)

## **CLOSING REMARKS**

The Joint Conference Committee Report on the Disaster Recovery Act of 2024 – Part II allocated the EMHS Funds for the purpose of expanding available mental health services to the students and staff at community colleges in western North Carolina that were impacted by Hurricane Helene. During OSA’s review of certain expenditures made by Blue Ridge Community College, Gaston College, and Wilkes Community College, we found that the Colleges used at least part of their designated EMHS Funds to pay for decorations, promotional items, alternative wellness, and recreation. OSA also identified procurement documentation weaknesses and control gaps in the Colleges’ use of the EMHS Funds. Additionally, OSA determined that on at least one occasion, prepaid items were recorded as current-year expenditures and charged to the EMHS Funds.

These practices appear incongruous with the General Assembly’s intent for the use and treatment of EMHS Funds and the accounting requirements set forth by the North Carolina Statewide Accounting Policy. Likewise, these practices increase the risk of the Colleges’ reporting inaccuracies and weakened financial accountability over their respective EMHS Funds.

OSA recommends that the Colleges consider classifying expenditures that may not clearly fit within the purpose of the EMHS Funds to their institutional or student activity funds; correct prepaid accounting errors; and enforce stronger pre-approval, coding, documentation, and vendor controls before charging purchases to their EMHS Funds.

OSA appreciates the documentation provided by the Colleges and their cooperation in providing requested information during this review.



February 3, 2026

David L. Boliek  
State of North Carolina  
Office of State Auditor  
20601 Mail Service Center  
Raleigh, NC 27699

RE: **Blue Ridge Community College's Response** to Rapid Response Special Report

Dear Mr. Boliek:

Blue Ridge Community College (College) has received and reviewed the Rapid Response Special Report for Hurricane Helene Use of Mental Health Funds at Selected North Carolina Community Colleges dated January 2026.

#### **Approval Process**

The North Carolina Community College System Office (**NCCCSO**) **provided guidance on the allowable use of EMHS funds**, advising that these mental health funds may be used to purchase research-informed instructional materials that support education, therapeutic engagement, and professional development following the disaster. **Consistent with this guidance and with NCCCSO approval**, the College used EMHS funds to purchase wellness journals to support the management of mental health conditions, horticultural materials to promote psychological well-being, and sensory tools to assist students with disabilities.

These resources are grounded in evidence-based practices designed to support individuals who have experienced traumatic events, including the impacts of Hurricane Helene. Importantly, these expenditures are distinct from student activities or entertainment; they are instructional in nature, research-informed, and intentionally focused on building mental health coping skills.

**Response to Finding 1, Blue Ridge Community College's use of Expanded Mental Health Funds (EMHS) "to purchase ancillary and recreational items," the College's response is as follows:**

- The College purchased 60 sensory tools, referred to as "stress relief toys" in the audit report, for a cost of \$73.00 for students with disabilities for therapeutic engagement to enhance the learning experience of our students with disabilities. Specifically, the College's rationale for using EMHS funds to purchase the sensory tools is as follows:

**Henderson County Campus**  
180 West Campus Drive  
Flat Rock, NC 28731  
828.694.1700

**Transylvania County Campus**  
45 Oak Park Drive  
Brevard, NC 28712  
828.883.2520

**Health Sciences Center**  
805 6th Avenue West  
Hendersonville, NC 28739  
828.694.1700



- According to the Autism Society of North Carolina (ASNC), individuals with autism can feel uncomfortable, anxious, or frightened when confronted with uncomfortable and unfamiliar environments.  
<https://www.autismsociety-nc.org/build-sensory-kits-to-provide-comfort-after-hurricane/>
- According to Children and Adults with Attention-Deficit/Hyperactivity Disorder (CHADD), fidgeting can facilitate focus. CHADD is a leading national nonprofit organization serving people affected by ADHD. A fidget tool may be used to control Attention-Deficit Hyperactivity Disorder (ADHD) Autism Spectrum Disorder (ASD), or anxiety.  
<https://chadd.org/attention-article/how-does-fidgeting-enhance-focus-for-individuals-with-adhd/>
- Based on research listed above, the College purchased sensory tools to provide comfort, alleviate anxiety, and provide focus to students with disabilities to enhance the learning experience.

**Resolution:** At the recommendation of the State Auditor, the **College will reclassify** the \$73.00 expense to student activities funds.

- The College purchased 440 succulent plants and pots at a cost of \$1,651. With these materials, students and employees engaged in organized planting activities that promoted emotional regulation, anxiety management, and resilience. The College interpreted the mental health support guidance from NCCCS to include horticulture materials for these activities.
  - Therapeutic Horticulture (TH) is a process that uses structured horticultural activities as a therapeutic modality to support program and health goals and improve well-being through active and passive participation.  
<https://www.frontiersin.org/journals/psychology/articles/10.3389/fpsyg.2025.1619827/full>
  - Horticulture Therapy is a known tool for treating the effects of Post Traumatic Stress Disorder (PTSD).  
<https://www.htinstitute.org/blog/horticultural-therapy-program-for-trauma-survivors/>

**Resolution:** At the recommendation of the Office of the State Auditor, **the College will reclassify** the \$1,651 expense by allocating costs for succulents and pots used by



students to student activities funds, and costs for those used by employees to an unrestricted institutional fund.

- The College purchased 800 wellness journals at a cost of \$10,570.74. During a wellness fair sponsored by the College, these wellness journals were distributed to Helene-affected employees and students as a tool to process their experiences and emotions in a healthy way.
  - According to an article published by the University of Rochester Medical Center, journaling is a helpful tool to deal with overwhelming emotions.  
<https://www.urmc.rochester.edu/behavioral-health-partners/bhp-blog/april-2025/no-rules-just-write-a-new-approach-to-journaling>
  - According to The National Society of Collegiate Scholars, journaling can improve academic success. Journaling provides a healthy outlet for stress and improves concentration.  
<https://nscs.org/blog/journaling-can-improve-academic-success>
  - Based on research listed above, the College purchased wellness journals for students and employees.

If the purchase of wellness journals to support the mental health of students and employees is determined to be unallowable, the College will use an unrestricted institutional funding source to cover the expense.

In addition to reclassifying the expenditures for the sensory tools and succulent plants and pots, **the College will limit the use of EMHS funds to mental health services only**, in accordance with the recommendation of the Office of the State Auditor. The College remains committed to ensuring that all unspent EMHS funds comply with statutory and program requirements and to maintaining the highest standards of financial integrity.

Sincerely,

A handwritten signature in black ink that reads "Carolyn W. Alley".

Carolyn W. Alley  
VP for Finance/Chief Financial Officer

**Henderson County Campus**  
180 West Campus Drive  
Flat Rock, NC 8731  
828.694.1700

**Transylvania County Campus**  
Oak Park Drive  
Brevard, NC 8712  
828.883.2520

**Health Sciences Center**  
805 6th Avenue West  
Hendersonville, NC 8739  
828.694.1700



To: Charles Dingee, Deputy State Auditor

From: Michael Whiteman, CPA, MBA

Date: February 3, 2026

Re: Gaston College's Response to Hurricane Helene related audit findings.

Gaston College values the feedback provided and is committed to strengthening internal controls, documentation, and procurement processes. While the expenditures noted were made with the intent to support mental health and resiliency for students and employees following Hurricane Helene, we recognize the importance of reinforcing procedural compliance and will work to ensure that future operations are aligned with both state expectations and best practices.

#### **FINDING 1 DETAILS & RECOMMENDATIONS**

##### **The Colleges Used Hurricane Helene EMHS Funds to Purchase Ancillary and Recreational Items.**

During our review, OSA found that the Colleges used EMHS Funds to pay for decorations, promotional items, alternative wellness, and recreation. As included in Appendix A, examples from the invoices provided by the Colleges include:

- Gaston College: \$5,223.24 spent on 2,000 rhinoceros-shaped stress balls.

The Colleges did not provide OSA documentation as to how these expenditures qualified to be charged to the EMHS Funds.

##### **Recommendations**

1. As a best practice, when purchasing items that may not clearly fit within the purpose of the EMHS Funds, the Colleges should work in tandem with NCCCS to determine which fund a given purchase should be charged to. Together, NCCCS and the Colleges should err on the side of charging such expenditures to the Colleges' institutional or student activity funds if the issue of fund classification remains unclear. Additionally, the Colleges should document the reason any such expense qualifies for use of the EMHS Funds.
2. The Community College System Office should review all special appropriations and work with the community colleges to ensure that expenditures comply with statutory and program requirements, if outlined, and to strengthen pre-approval and documentation controls for all such funds.
3. Any community college that has not yet spent its designated EMHS Funds should implement a pre-approval checklist before using the remaining funds. The checklist should include questions like: Is this purchase for a mental health service? If the answer is no, the expenditure should not be charged to the college's EMHS Funds.



### Gaston College's Response

Following the passage of Session Law 2024-53, The Disaster Recovery Act of 2024 – Part II, the State Board of Community Colleges approved the allocation of funds to impacted community colleges to expand mental health services for students and staff affected by Hurricane Helene.

To support the appropriate use of these funds, the North Carolina Community College System Office issued guidance and provided reporting templates:

- [Guidance for S.L. 2024-53 SB 743 Expanded Mental Health](#)
- [Report Template S.L. 2024-53 SB743 Mental Health](#)

Colleges were also informed that these mental health funds could be used to purchase research-informed instructional materials designed for education, therapeutic engagement, and professional development. Importantly, these expenditures differ from student activities or entertainment events; they are didactic, research-informed, and focused on building mental health coping skills.

The stress balls—albeit rhino-shaped to fit our college mascot—were part of a broader mental health and emotional well-being initiative designed to support both students and employees during a period of heightened stress following the hurricane. The items were featured in student mental health awareness events and the employee benefits fair, where they were distributed alongside mental health resources, counseling information, and resiliency programming. Their purpose was directly tied to strengthening awareness and reducing stigma surrounding mental health care and based on effects noted in the following research:

**The Rise of Sensory Fidget Toys: Origins, Psychological Principles, and Their Role in Stress Relief and Mental Health (Liu, Y. (2025). *The rise of sensory fidget toys: Origins, psychological principles, and their role in stress relief and mental health*. SHS Web of Conferences, 213, 02027.**  
<https://doi.org/10.1051/shsconf/202521302027>)

**How Does Fidgeting Enhance Focus for Individuals with ADHD? - CHADD (Rotz, R., PhD. (2025, February). *How does fidgeting enhance focus for individuals with ADHD?* CHADD.**  
<https://chadd.org/attention-article/how-does-fidgeting-enhance-focus-for-individuals-with-adhd/>)

However, if the use of stress balls to support students' and employees' mental health is ultimately deemed an unallowable expense, we will identify an alternative funding source to cover the cost and return the Hurricane Helene Funds that were used to purchase stress balls.



## **FINDING 3 DETAILS & RECOMMENDATIONS**

### **Documentation and Control Gaps**

OSA identified multiple weaknesses in Gaston College and Wilkes Community College's respective procurement documentation and controls. These weaknesses increase the risk of unauthorized purchases, improper payments, and lack of accountability as it concerns the use of their respective EMHS Funds.

### **Gaston College**

All of the purchase orders (POs) attached to the invoices Gaston College submitted for review by OSA were dated after the invoices were received, meaning the POs were created to approve the payments after the fact rather than authorizing the purchases in advance.

In the former Vice President for Finance and Operations' written response to OSA, the College acknowledged that a verbal order had been made in certain cases, rather than issuing a PO at the time of the commitment. The former Vice President for Finance and Operations further confirmed that Gaston College had operated without a procurement officer for over a year, and that procurement responsibilities were being informally reassigned.

This practice bypasses the established internal control that POs must precede the obligation of funds. While post-dated POs serve to process payments, they do not prevent or control unauthorized purchases, creating a clear compliance and control gap.

### **Recommendation**

Gaston College should assess its procurement controls. Where appropriate, Gaston College should configure its Enterprise Resource Planning (ERP) software to block invoice entry and payment without a valid PO dated before the commitment and create a narrow emergency exception that requires written pre-approval from Gaston College's current Chief Finance Officer (CFO).

### **Gaston College's Response**

Gaston College was without a dedicated procurement officer, which likely contributed to this finding. Although payments were made for legitimate and mission aligned purposes, we understand that the lack of approved Purchase Orders ("PO") did not fully align with established internal control practices. A Procurement Manager was hired on January 2, 2026, which will improve the ability to reinforce and oversee compliance with established internal controls.



**FINDING 4 DETAILS & RECOMMENDATIONS**

**Prepayment Risks**

On May 1, 2025, Gaston College received a single invoice totaling \$21,207.84 from MyGroup for EAP counseling. The invoice, which Gaston College billed to its EMHS Funds, consolidates multiple future coverage periods into one transaction and is summarized below in Table 1.

Table 1: Invoice Number 70397 Dated May 1, 2025.

<u>Coverage Period</u>	<u>Employee Type</u>	<u>Employee Count</u>	<u>Rate per Employee (\$)</u>	<u>Subtotal (\$)</u>
<u>5/1/2025-4/30/2026</u>	<u>Part-time</u>	<u>294</u>	<u>24.48</u>	<u>7,197.12</u>
<u>5/1/2026-4/30/2027</u>	<u>Part-time</u>	<u>294</u>	<u>24.48</u>	<u>7,197.12</u>
<u>5/1/2027-2/29/2028</u>	<u>Part-time</u>	<u>294</u>	<u>20.4</u>	<u>5,997.60</u>
<u>9/1/2025-2/29/2028</u>	<u>Full-time</u>	<u>400</u>	<u>2.04*</u>	<u>816.00</u>
<u>Total</u>				<b><u>\$ 21,207.84</u></b>

*The amount \$2.04 reflects the rate adjustment for full-time employees as indicated on the invoice.*

Entering a payment that spans multiple future fiscal periods introduces prepayment risks. Although the invoice for EAP counseling was issued as a single transaction, it covers services through February 2028. This means costs were recorded before services were rendered, and future-year services could go unused or undelivered. If staffing, utilization, or funding changes before the end of the coverage period, recovering funds through proration, credit, or termination becomes difficult. In accordance with Section 101.03 of North Carolina’s Statewide Accounting Policy, payments that benefit future fiscal periods should be recorded as prepaid assets “and allocated to the period benefited” rather than being recorded as current-year expenditures. Thus, when Gaston College recorded the portion of the payment that benefited multiple future fiscal periods as a current expenditure rather than a prepaid asset, it may have run afoul of Section 101.03.

**Recommendations**

1. Gaston College should configure ERP software to block payment dates that extend beyond one year.
2. Gaston College should properly record part of this payment as a prepaid asset and recognize the expenditure as the counseling services are delivered, while ensuring that any grant draw reflects costs incurred rather than prepaid amounts.



## **Gaston College's Responses**

### **Recommendation 1**

Gaston College sought to expand access to our Employee Assistance Program to part-time employees, who had previously not been eligible for mental health support services under the program. MyGroup was chosen carefully and is a longstanding vendor with a proven performance record. The decision to proceed with the multiyear commitment was driven by the College's priority to broaden mental health support resources for its workforce during a time of elevated need. -year commitment was driven by the College's priority to broaden mental health support resources for its workforce during a time of elevated need.

We are not aware of a setting in our system that will block payments for periods of service for one year. The hiring of a Procurement Manager will improve our ability to monitor contract terms. We will communicate and reinforce the importance of obtaining approved Purchase Orders, and work to develop internal controls that require multiple year agreements to be pre-approved by the Chief Financial Officer.

### **Recommendation 2**

We do not agree with the recommendation #2 as it implies that Gaston College did not properly record this payment as a prepaid expense. This expense was recorded as a prepaid expense in our fiscal year-end financial statements.

Per Footnote B of the Gaston College's financial statements, the financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Under GASB Codification Sections 100 and 1300, prepaid items meet the definition of assets because they represent resources with present service capacity that the institution controls. Accordingly, prepaid expenses are recorded as assets and recognized as expenses over the period benefited.

Additionally, because the College reports on the accrual basis, amounts paid for services that benefit future periods should be recorded as prepaid assets and recognized as expenses over the periods benefited. This treatment is consistent with Statewide Accounting Policy 101.03, which addresses prepaid items that provide future period benefits. G.S. 115D58.5(a) requires colleges to maintain accounting systems in accordance with procedures prescribed by the North Carolina Community College System Office and the State Controller.



February 4, 2026

David L. Boliek  
State of North Carolina  
Office of State Auditor  
20601 Mail Service Center  
Raleigh, NC 27699

RE: Wilkes Community College's Response to Rapid Response Special Report

Mr. Boliek:

Wilkes Community College has received and reviewed the January 2026 Rapid Response Special Report regarding Hurricane Helene – Use of Mental Health Funds at Selected North Carolina Community Colleges.

Guidance on the use of these funds was provided to colleges by the North Community College System Office. Colleges were also informed that these mental health funds could be used to purchase research-informed instructional materials designed for education, therapeutic engagement, and professional development. Examples include wellness journals that aid in managing mental health conditions and horticultural materials that promote psychological well-being. These resources are grounded in evidence-based practices intended to support individuals who have experienced traumatic events such as the impact of Hurricane Helene. Importantly, these expenditures differ from student activities or entertainment events; they are didactic, research-informed, and focused on building mental health coping skills.

While the report also included findings associated with Blue Ridge Community College and Gaston College, the findings, recommendations and responses following are specific to Wilkes Community College.

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## FINDING 1 DETAILS & RECOMMENDATIONS

### The Colleges Used Hurricane Helene EMHS Funds to Purchase Ancillary and Recreational Items.

During our review, OSA found that the Colleges used EMHS Funds to pay for decorations, promotional items, alternative wellness, and recreation. As included in Appendix A, examples from the invoices provided by the Colleges include:

- **Wilkes Community College:** \$350 spent on birdwatching, listening to bird songs, and observing wildflowers while walking along the public trails at W. Kerr Scott Dam and Reservoir.

The Colleges did not provide OSA documentation as to how these expenditures qualified to be charged to the EMHS Funds.

#### Recommendation:

1. As a best practice, when purchasing items that may not clearly fit within the purpose of the EMHS Funds, the Colleges should work in tandem with NCCCS to determine which fund a given purchase should be charged to. Together, NCCCS and the Colleges should err on the side of charging such expenditures to the Colleges' institutional or student activity funds if the issue of fund classification remains unclear. Additionally, the Colleges should document the reason any such expense qualifies for use of the EMHS Funds.
2. The Community College System Office should review all special appropriations and work with the community colleges to ensure that expenditures comply with statutory and program requirements, if outlined, and to strengthen pre-approval and documentation controls for all such funds.
3. Any community college that has not yet spent its designated EMHS Funds should implement a pre-approval checklist before using the remaining funds. The checklist should include questions like: Is this purchase for a mental health service? If the answer is no, the expenditure should not be charged to the college's EMHS Funds.

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### Wilkes Community College Response

Counselors and other mental health care providers identify various forms of treatment for anxiety and stress. Exposure to nature is recognized therapy. The hike that was questioned included the attendance of a licensed clinical mental health counselor, who discussed with the participants “natural supports” and how nature is connected to stress management. The promotional materials for the event included this description:

“Nature-al Supports. Did you know that exposure to nature is connected to reduced stress, anxiety, anger, and negativity? It also lowers risk of anxiety and depressive disorders.”

The Blue Ridge Parkway Ranger provided a description of the hike that included “birdwatching” and “fungi”. This was an effort to appeal to a broad range of participants.

Below are two studies, from a vast body, connecting nature to mental health.

- 1) **Nature Comparable to Short-Term Therapy.** A 2025 study by the **University of York** evaluated nature-based programs for patients with diagnosed mental health conditions and found the improvements in mood and anxiety after nature-based activities were **comparable to short-term Cognitive Behavioral Therapy (CBT)**. They found that “meaningful connections”—such as those offered in group nature walks, were more effective than passive exposure for those struggling with loneliness or social isolation.

[https://www.sciencedaily.com/releases/2025/04/250416135450.htm#google\\_vignette](https://www.sciencedaily.com/releases/2025/04/250416135450.htm#google_vignette)

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2) College **Students Benefit from Nature**. A 2025 study titled *The effects of repeated short-duration nature walks on stress and cognitive function in college students*, was published in the **journal MDPI**. It addressed the "mental health crises" on university campuses by testing nature walks as a low-cost, accessible intervention. Researchers focused on college students, a demographic with high burnout rates and stress levels. The study found that regular, short nature walks provided reduction in psychological distress, burnout prevention, and cognitive restoration. <https://www.mdpi.com/3042-5832/1/3/18>.

The college will reclassify the \$350.00 payment to the program leader to student activity funds as recommended by the Office of the State Auditor.

## FINDING 2 DETAILS & RECOMMENDATIONS

### **Wilkes Community College's Financial Services Department Approved Charging Expenditures Related to a "Sobriety Bowl" Event to the College's EMHS Billing Code.**

In January 2025, Wilkes Community College charged costs for a "Sobriety Bowl"—including pizza and gift cards—to the College's EMHS billing code. While the counseling services and related fliers offered during the event appear to align with the purpose of the EMHS Funds as described in the Joint Conference Committee Report on the Disaster Recovery Act of 2024 – Part II,<sup>9</sup> it is less clear whether Wilkes Community College was permitted to charge the items it purchased for the Sobriety Bowl—food, prizes, and gift cards—to its EMHS billing code.

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Because this was a student event, it likely would have been more financially prudent for the College to charge the costs of the items mentioned above to its student activity or institutional fund rather than to its EMHS Funds. Doing so would have complied with Section 1E SBCCC 700.2 of the State Board of Community Colleges Code, which permits community colleges hosting “[s]tudent enrichment and student social activities” to use student activity fee receipts to “purchase [ ] goods or services needed to conduct the student activity[.]”<sup>10</sup>

### **Recommendations:**

1. When an event has both a mental health and a hospitality component, Wilkes Community College should consider splitting the event costs by charging counseling-related expenditures to the College’s EMHS Funds and items like food, gift cards, and prizes to its student activity or institutional funds.
2. Wilkes Community College should track cost allocations for mixed-purpose events prior to issuing payments.

### **Wilkes Community College Response**

The college agrees with the recommendation of the Office of the State Auditor. The costs associated with the “Sobriety Bowl” originally charged to the EMHS funds will be reclassified to student activity funds.

For future mixed-purpose events, cost allocations will receive greater scrutiny to ensure that appropriate budget codes are used. This will include expenditure review by the college CFO.

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## FINDING 3 DETAILS & RECOMMENDATIONS

### Documentation and Control Gaps

OSA identified multiple weaknesses in Gaston College and Wilkes Community College's respective procurement documentation and controls. These weaknesses increase the risk of unauthorized purchases, improper payments, and lack of accountability as it concerns the use of their respective EMHS Funds.

### Wilkes Community College

The documentation submitted by Wilkes Community College to OSA during our review of the College's use of its EMHS Funds included a handwritten and undated invoice. This invoice, which was for red light therapy, was handwritten on a generic receipt form, undated, and did not include sufficient detail about the goods or services delivered.

In another instance, Wilkes Community College received an invoice for a dance class. Rather than paying the vendor who issued the invoice, the College paid an individual who appears to have provided the service. This mismatch between vendor and payee undermines accountability and increases risk of improper or unsupported disbursements.

Invoices that are handwritten, undated, lack sufficient detail about the goods or service delivered, and/or contain discrepancies between the vendor and payee do not meet basic documentation standards.

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**Recommendations:**

1. Wilkes Community College should reject undated invoices that lack sufficient detail and ensure that the payee's name and address on corresponding disbursements match the vendor's name and address listed on the invoice.

**Wilkes Community College Response**

The college agrees with the recommendation of the Office of the State Auditor. Employees within the invoice approval/payment cycle will ensure that invoices are dated, have adequate detail of services and/or goods provided, and that vendor information matches the corresponding payee information.

Wilkes Community College is committed to maintaining effective financial controls and complying with applicable regulations for the expenditure of remaining EMHS funds. We look forward to working with the Office of State Auditor and NCCCS to ensure that all future expenditures are in compliance.

Sincerely,

Dr. Mike Rodgers  
President

Morgan Francis  
Senior Vice-President of Administration/CFO

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**APPENDIX:**

**Blue Ridge Community College**

Category	Amount (\$)	Invoices Start Date	Invoices End Date
Counseling	20,500	2/10/2025	7/1/2025
Counseling Supplies	13,425 <sup>a</sup>	2/6/2025	2/14/2025
<b>Succulent Plant &amp; Pots</b>	<b>1,651</b>	<b>3/14/2025</b>	<b>4/3/2025</b>
Biometric Screening	560	4/15/2025	4/15/2025
<b>Stress Release Toys</b>	<b>73</b>	<b>4/3/2025</b>	<b>4/3/2025</b>
<b>Total</b>	<b>\$36,209</b>		

<sup>a</sup>The \$13,425 reported for Counseling Supplies includes \$10,570.74 spent on "Wellness Journals—White Journal with Full color logo on Front, 100 Sheets of paper (200 pages) x 800," \$844 spent on "Pens for Journals—Basic Click style Pen, white pen with Full color logo imprint, Black Ink," and \$2,010 spent on "Adult Mental Health First Aid (MHFA) Participant Processing Guide / Manuals."



**Succulent Plant & Pots**

Quote from the invoice: 1 of: Shop Succulents Pastel Succulent Plant Pack Bulk Collection—Live Mini Succulent Plants, Low Maintenance, Bright & Serene Colors & Textures-Wedding and Party Favors, Gift & Garden, Pack of 40. Price \$59.99

(Image of the products purchased from Amazon.com)



**Stress Release Toys from Amazon.com**

Quote from the invoice: 1 of: Suction Fidget Toys for Kids, 42 Pcs Sensory Fidget Toys for Boys and Girls, Office Stress Release Toys for Adults, Cars Travel Toys for Toddlers, Windows Toys Party Favors Kids Classroom Prize Bulk. Price \$33.91

(Image of the products purchased from Amazon.com)

## Gaston Community College

Category	Amount (\$)	Invoices Start Date	Invoices End Date
Counseling	37,710	2/12/2025	5/1/2025
Rhino Stress Reliever	5,223	4/25/2025	4/25/2025
Speaking Event	3,500	2/12/2025	2/12/2025
Massage	1,900	4/1/2025	4/1/2025
<b>Total</b>	<b>\$48,333</b>		

### Massage

Quote from the invoice: DIY Aromatherapy 1 staff / 4 volunteers \$1,200, 4 Massage Chairs \$1,200, Travel \$100, Discount \$600



### Rhino Stress Reliever

Quote from the invoice: Rhino stress reliever I Blank Rate \$1.97 each. Volume 2000 Total \$3,940, **Shipping and processing \$941.53**, Tax \$341.71 Invoice amount \$ \$5,223.24

(Similar image of the products purchased, 1001 stressballs.com; no business website for the vendor listed on the invoice could be found)

**Wilkes Community College**

<b>Category</b>	<b>Amount (\$)</b>	<b>Invoices Start Date</b>	<b>Invoices End Date</b>
Employee Assistance Program	3,600	5/15/2025	5/15/2025
<b>Massage</b>	<b>3,490</b>	<b>1/22/2025</b>	<b>5/20/2025</b>
<b>Red Light Salt Therapy</b>	<b>1,500</b>	<b>5/30/2025</b>	<b>5/30/2025</b>
Flowers for Mental Health	876	2/13/2025	2/20/2025
Keynote Speaker	688	5/20/2025	5/20/2025
Wellness Service	609	4/24/2025	5/13/2025
Pizza for Sobriety Event	598	1/28/2025	2/25/2025
Catering for Therapist Event	585	3/18/2025	3/18/2025
Arts/Dance/Yoga/Qigong	555	3/21/2025	5/20/2025
Counseling	450	5/14/2025	5/14/2025
<b>Listening to Bird Singing</b>	<b>350</b>	<b>6/5/2025</b>	<b>6/5/2025</b>
Wellness/Mental Health Supplies	260	1/14/2025	2/7/2025
Anxiety Stickers/Stress Balls	92	4/23/2025	4/23/2025
Coffee	75	2/25/2025	2/25/2025
Gift Cards for Sobriety	75	2/18/2025	2/18/2025
Gift for Office Party	66	2/25/2025	2/25/2025
<b>Total</b>	<b>\$13,869</b>		

**Massage**

Quote from the invoice:

Chair Massage (4 hours) Quantity 1 Price \$400 Amount \$400.

This invoice was created on April 16, 2025; WCC made payment on April 30, 2025; the event date was on May 7, 2025.

**Red Light, Salt Therapy, and Foot Detox**

An invoice handwritten on an invoice form describes service provided for “Wellness Fair” including “Red light, salt therapy, and foot detox.” The total amount billed was \$1,500. The invoice was not dated. The corresponding payment was made on May 30, 2025 by Wilkes Community College and processed through the State Treasurer.

**Birdwatching and Fungus Walk**

The program on the invoice is described as “Nature-al Support PD Stress Management Guided Nature Stroll”.

The service was provided on June 5, 2025. Charge: \$350.00.

Quote from the invoice: Gentle guided stroll approximately 1.5 miles along W. Kerr Scott public trails focusing on birdsongs, cascading waters, wildflowers, fungi, and strategies for destressing while in a nature environment.

# Ordering Information

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Copies of this report may be obtained by contacting:



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Raleigh, North Carolina 27699

Telephone: 919-807-7500  
Fax: 919-807-7647  
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NOTE: OSA maintains strict confidentiality when handling personally identifiable and other sensitive information in accordance with State and federal law. OSA takes all necessary precautions to ensure that sensitive information is not compromised or improperly shared. This special report is based on the limited information available to OSA during our investigation and is not exhaustive. This report does not constitute an audit or attestation engagement conducted in accordance with generally accepted government auditing standards.