

GUILFORD COUNTY, NORTH CAROLINA

COMPLIANCE REPORT

As of and for the Year Ended June 30, 2025

And Reports of Independent Auditor

GUILFORD COUNTY, NORTH CAROLINA
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Report of Independent Auditor 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

To the Board of County Commissioners
Guilford County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Guilford County, North Carolina (the “County”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the 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 and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance 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*.

County’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the other auditing procedures applied in the audit of 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.

Charlotte, North Carolina
December 19, 2025

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

To the Board of County Commissioners
Guilford County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Guilford County, North Carolina's (the "County"), 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 the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 the 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 the County's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 noncompliance, 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 the 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 the 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 County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

Report on 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 19, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Charlotte, North Carolina
January 19, 2026

Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

To the Board of County Commissioners
Guilford County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Guilford County, North Carolina's (the "County"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2025. The County's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 the 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 the County's state programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 the County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 noncompliance, 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 the 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 the 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 County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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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.

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

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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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Charlotte, North Carolina
January 19, 2026

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statement were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ X yes _____ none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to federal awards? _____ yes X no

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 the 2 CFR 200.516 (a)? _____ yes X no

Identification of major federal programs:

ALN Numbers

93.778-CL
 93.558
 93.044, 93.045 & 93.053
 93.667

Names of Federal Program or Cluster

Medicaid Cluster
 Temporary Assistance for Needy Families (TANF)
 Aging Cluster
 Social Services Block Grant – SSBG

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 2,039,773

Auditee qualified as low-risk auditee? _____ X yes _____ no

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to state awards? yes no

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 no

Identification of major state programs:

Names of State Program or Cluster

DSS Crosscutting
Juvenile Crime Prevention Program
Smart Start – Local Partnerships
Public School Buildings Capital Fund
State Child Welfare / Child Protective Services

Other major State programs for Guilford County are the Medicaid cluster, the Aging cluster, and Social Services Block Grant which include State matches on federal programs. Therefore, these programs have been included in the list of major federal programs above.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

Finding 2025-001 – Significant Deficiency

Criteria: Governmental Accounting Standards Board (“GASB”) Statement No. 34 requires that liabilities be recorded in the fund financial statements only when they are due and payable.

Condition: The County recorded arbitrage liabilities at the fund level although certain amounts were not due and payable at year-end.

Effect: The County Building Construction Fund, liabilities were overstated by \$2,407,272 and beginning fund balance and revenue were understated by \$1,217,893 and \$1,189,379, respectively.

The School Capital Outlay Fund, liabilities were overstated by \$2,079,532 and beginning fund balance and revenue were understated by \$1,924,853 and \$154,579, respectively.

All amounts have been corrected by management.

Cause: A misinterpretation of GASB 34 and the Governmental Accounting, Auditing, and Financial Reporting (GAAFR) guidance on accounting for arbitrage liabilities regarding the recognition of long-term liabilities at the fund level.

Recommendation: We recommend the County ensure liabilities recorded at the fund level are only recognized when due and payable in accordance with GASB 34. This may include targeted training for accounting staff related to the recognition of arbitrage liabilities during the financial closing process.

Management’s Response: Management agrees with the finding and is implementing procedures to correct this which is further discussed in the Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – State Award Findings and Questioned Costs

None.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section V – Summary Schedule of Prior Audit Findings

Finding: 2024-001
Status: Resolved.

Finding: 2024-002
Status: Resolved.

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
<u>FEDERAL AWARDS</u>					
<u>U.S. Department of Agriculture</u>					
<i>Child Nutrition Cluster:</i>					
Passed Through N.C. Department of Public Instruction:					
National School Lunch Program	10.555	1167	\$ 108,538	\$	\$
<i>Total Child Nutrition Cluster</i>			<u>108,538</u>		
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
<i>Supplemental Nutrition Assistance Program (SNAP) Cluster:</i>					
Direct Benefit Payments:					
Supplemental Nutrition Assistance Program Administration (Note 1)	10.561	-	5,944,850	14,422	-
Supplemental Nutrition Assistance Fraud Administration (Note 1)	10.561	-	140,591	-	
<i>Total Supplemental Nutrition Assistance Program (SNAP) Cluster</i>			<u>6,085,441</u>	<u>14,422</u>	
Division of Women's and Children's Health:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1330012D1540520G0001000, 1330012D1570G20G0003001,133001 2D1570J20G0003001,1330012D1570 H20G0003001,1330012D1540320G00 01001,1330012D1540420G0001001,1 330012D1540920G0001000	2,682,597	-	
			<u>8,876,576</u>		
Total U.S. Department of Agriculture					
<u>U.S. Department of Housing and Urban Development</u>					
Passed Through the N.C. Department of Commerce:					
HUD Continuum of Care Program	14.267	-	92,414		
Total U.S. Department of Housing and Urban Development			<u>92,414</u>		
<u>U.S. Department of Justice</u>					
Passed Through N.C. Department of Crime Control and Public Safety:					
GCC: Guilford FJC Enhanced Coordination and Support of Child and Elder Justice Services	16.575	2020-V2-GX-0061	-	79,989	-
Violence against Women Formula Grant	16.588	15JOVW-22-GG-00436-STOP 15JOVW-23-GG-00586-STOP	-	155,468	-
Governor's Crime Commission: Commission on Accreditation for Law Enforcement Agencies (CALEA)	16.738	15PBJA-22-GG-00633-JAGX	-	(5,994)	

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS (Continued)					
Passed Through City of Greensboro, North Carolina:					
Edward Byrne Memorial Justice Assistance Grant-LLEBG Technology	16.738	15PBJA-23-GG-03612-JAGX	\$ 79,326	\$ -	\$ -
Homeless Prevention			-	20,290	-
Direct Programs:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-AG-04514-JAGX	244,054	-	-
Federal Forfeitures	16.922	-	457,188	-	-
Safer Outcomes Grant: Enhancing De-Escalation and Crisis Response Training Law Enforcement	16.710	15JCOPS-24-GG-05374-DETU	129,339		
Total U.S. Department of Justice			909,907	249,753	
<u>U.S. Department of Treasury</u>					
Direct Programs:					
Covid-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	-	10,043,213	-	8,315,292
Federal Forfeitures	21.xxx		11,127	-	
Total U.S. Department of Treasury			10,054,340		8,315,292
<u>U.S. Department of Transportation</u>					
Passed Through the N.C. Department of Transportation:					
<i>Transit Services Programs Cluster:</i>					
Covid-19 Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	20-CA-049	228,551	-	-
Passed Through City of Greensboro, North Carolina:					
Enhance Mobility of Seniors with Disabilities	20.513	25-ED-049	81,314		
Total Transit Services Programs Cluster			309,865		
<i>Federal Transit Cluster:</i>					
Passed Through City of Greensboro, North Carolina:					
COVID-19 - Federal Transit Formula Grants	20.507	NC-2020-023-00	143,700		
Total Federal Transit Cluster			143,700		
			-	-	-
			-	-	-
			-	-	-
			-	-	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS (Continued)					
Passed Through the N.C. Department of Transportation:					
<i>Highway Safety Cluster:</i>					
Highway Safety Program-DWI Task Force	20.616	MSHVE-24-15-03	\$ 40,000	\$ -	\$ -
Highway Safety Program-DWI Task Force	20.600	AL-25-02-10	96,893	-	-
Highway Safety Program-DWI Task Force	20.616	M5HVE-23-15-04	(10,507)		
<i>Total Highway Safety Cluster</i>			<u>126,386</u>		
Public Transportation and Rail Division:					
Community Transportation Program - Administration	20.509	25-CT-049	191,448	12,042	
Total U.S. Department of Transportation			<u>771,399</u>	<u>12,042</u>	
<u>U.S. Department of Health and Human Services</u>					
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
<i>Temporary Assistance for Needy Families Cluster:</i>					
Work First Administration	93.558	-	628,827	-	-
Work First Service	93.558	-	2,691,391	-	-
<i>Total TANF Cluster</i>			<u>3,320,218</u>		
Adoption Fostercare	93.XXX	-	236,602	-	-
Family Preservation and Reunification	93.556	-	77,112	-	-
Child Support Enforcement IV-D Administration	93.563	-	7,402,918	-	-
Child Support Enforcement IV-D Incentive	93.563	-	727,429	-	-
Refugee Assistance	93.566	-	25,579	-	-
Permanency Planning	93.645	-	160,747	-	-
Links	93.674	-	95,334	23,833	-
Independent Living Special Links Fund	93.674	-	15,119	-	-
<i>Low-Income Home Energy Assistance:</i>					
Low-Income Home Energy Assist. - Crisis Intervention	93.568	-	749,437	-	-
Low Income Home Energy Assistance	93.568	-	1,553	-	-
Low Income Home Energy Assistance - Administration	93.568	-	376,898	-	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS (Continued)					
<i>Foster Care and Adoption Cluster: (Note 3)</i>					
Foster Care Title IV-E	93.658	-	\$ 1,634,233	\$ 472,941	-
Foster Care Title IV-E Maximization	93.658	-	232,418	104,526	-
Foster Care Title V-E Max Level III	93.658	-	5,114	-	-
Foster Care Kinship	N/A	-	-	146,061	-
Foster Care Title IV-E Child Protective Services	93.658	-	569,620	204,249	-
Foster Care Title IV-E Administration County Paid to CCI	93.658	-	1,249,270	624,635	-
Foster Care Title IV-E Family Foster Max	N/A	-	-	228	-
Foster Care Title IV-E Training	93.658	-	3,261,767	-	-
Foster Care Title IV-E Administration	93.658	-	24,651	-	-
Adoption Assistance - IV-E Optional Adoption Training	93.659	-	619,974	-	-
Adoption Assistance - IV-E	93.659	-	6,593	8,126	-
<i>Total Foster Care and Adoption Cluster</i>			<u>7,603,640</u>	<u>1,560,766</u>	
U.S. Department of Health and Human Services (continued)					
<i>Social Services Block Grant Cluster: (Note 3)</i>					
SSBG - Adult Day Care	93.667	-	72,650	76,976	-
SSBG - In-Home Services	93.667	-	113,564	-	-
SSBG - Other Services and Training	93.667	-	2,279,995	-	-
SSBG - Adult Protective Services	93.667	-	22,486	-	-
Special Children Adoption Incentive Fund	93.667	-	312,083	-	-
<i>Total Social Services Block Grant Cluster</i>			<u>2,800,778</u>	<u>- 76,976</u>	
<i>Administration:</i>					
<i>State Children's Health Insurance Program:</i>					
NC Health Choice	93.767	-	1,239,999	398,525	-
<i>Total State Children's Insurance Program</i>			<u>1,239,999</u>	<u>398,525</u>	
			-	-	-
			-	-	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS (Continued)					
<i>Medicaid Cluster:</i>					
Medical Assistance Program:					
State County Special Assistance	93.778	-	\$ 120,119	\$ -	\$ -
Medical Assistance Administration	93.778	-	14,425,908	1,380,959	-
Medical Transportation Service	93.778	-	349	-	-
Medicaid Administrative Claiming	93.778	-	645,150	-	-
Adult Care Home Case Management	93.778	-	133,755	42,636	-
DMA Equipment	93.778	-	11,956	5,903	-
			<u>15,337,237</u>	<u>1,429,498</u>	
<i>Total Medicaid Cluster</i>					
<i>Subsidized Child Care Cluster (Note 3):</i>					
<i>Child Care Development Fund Cluster:</i>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596	-	<u>1,431,826</u>		
<i>Total Child Care Development Fund Cluster</i>					
<i>Total Subsidized Child Care Cluster</i>					
Passed Through N.C. Department of Health and Human Services:					
Division of Public Health:					
HHP and Public Health Emergency Preparedness	93.069	1320082B3268020G0054001	68,498	-	-
CDC Tuberculosis	93.116	1332002B0463A20G0182002,1332002B045432000000000	32,758	4,012	-
CDC Bridge Access Program for COVID-19 Vaccines	93.268	1334012B0HHBR20G0093006	220,079	-	-
Title X Family Planning	93.217	1330002B2590020G0079002,1330002B2602120G0079004	341,433	-	-
Child Health School Health Staffing	93.323	1334062D0535A20G0104001	- 260,997	-	-
Integrated Targeted Testing Services (ITTS) Monkey Pox	93.354	1332002B01MPX20G0218001	- 50,344	-	-
CDC Covid 19 Vaccination Program	93.283	1334012B0631520G0092002	- 141,763	-	-
COVID-19 Crisis Response	93.354	1320082B3268020G0104001	292,059	-	-
PUBHLTH INFRA LOCWORKDEVE	93.967	1312042B0SGLH20G0216001	318,603	-	-
REGIONAL FOUNDATIONAL CAPABILITIES DEVELOPMENT	93.967	1312042B0SGLH20G0216001	107,451	-	-
Antimicrobial-Resistant Gonorrhea	93.323	1313042B1871020G0098001,1332002B0463A20G0182002,1332002B0463A20G0182002	338,678	-	-
Antimicrobial-Resistant Gonorrhea	93.977	1332002B0463A20G0182002	34,681	-	-
COVID-19 ARPA STD PCHD DIS WORKFORCE	93.977	1332002B0463A20G0182002	28,105	-	-
Immunization Action Plan	93.539	1334012B0631020G0093002	105,221	-	-
TANF - Family Planning	93.558	1330002B2515120G0119003	69,241	-	-
Refugee Health Assessments	93.566	1335012B0810020G0122001	187,325	-	-
Healthy Communities	93.758	1320012B1550320G0184002,1320012B155032000000000	21,627	3,785	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS (Continued)					
Passed Through N.C. Department of Health and Human Services (continued)					
Maternal Child Health Block Grant:					
Child Health	93.994	1321052D2574520G0185002,1321052D2574520000000000	\$ 542,006	\$ 23,398	\$ -
Child Fatality	93.994	1321052D2535120G0185002	3,947	-	-
Child Service Coordination	93.994	1321052D2531820G0185002	169,324	-	-
Family Planning	93.994	1330002B2573520G0185001,1330002B2573520000000000	70,262	209,100	-
Maternal Health	93.994	1330002B1574020G0185001,1330002B1574020000000000,1330002B1510720000000000,1330002B1574020G0185001	379,448	568,553	-
COVID-19 ARPA Addressing Lead in Water & Lead-Based Paint Management of Chronic Illness in Pregnancy	93.110	2303302B0SFLT200TT000001330002B1588020G0063001	-	42,260	-
<i>HIV Cluster: (Note 3)</i>					
HIV Prevention Activities - Jail Screening	93.940	1332002B0430020G0174001	122,345	-	106,383
HIV/STD Non-Traditional C/T	N/A	1332002B0454120G0169002	-	373,492	221,863
HIV/STD State	N/A	1332002B0453620G0169002	-	40,215	-
<i>Total HIV Cluster</i>			<u>122,345</u>	<u>413,707</u>	<u>328,246</u>
Division of Aging :					
Passed Through the Piedmont Triad Regional Council:					
<i>Aging Cluster:</i>					
Special Programs for the Aging:					
Title III-B, Supportive Services Access	93.044	-	419,287	24,664	305,415
Title III-C-1, Congregate Meals	93.045	-	178,336	49,428	117,764
In-Home Services	N/A	-	249,360	14,668	264,028
State Appropriation	N/A	-	-	1,714,014	241,203
Title III-C-2, Home Delivered Meals	93.045	-	-	18,586	2,688
Nutrition Service Incentive Program	93.053	-	513,190	30,188	543,378
<i>Total Aging Cluster</i>			<u>110,011</u>	<u>1,851,548</u>	<u>110,011</u>
Total U.S. Department of Health and Human Services					
			<u>46,978,805</u>	<u>6,605,961</u>	<u>1,912,733</u>
U.S. Department of Homeland Security					
Passed Through N.C. Department of Public Safety:					
Emergency Management Performance	97.042	EMPG-2021-19040	62,500	-	-
State and Local Cybersecurity Grant	97.137	YBEQWGFJPMJ3	193,290	-	-
Total U.S. Department of Homeland Security			<u>255,790</u>	-	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
FEDERAL AWARDS (Continued)					
<u>Executive Office of the President</u>					
Direct Programs:					
Office of National Drug Control Policy: High Intensity Drug Trafficking Areas	95.001	G22GA0005A	\$ 11,079	\$ -	\$ -
Total Executive Office of the President			11,079		
<u>National Institutes of Health</u>					
Passed Through Duke University:					
Randomized Cluster Evaluation of Cardiac Arrest Systems (RACE-CARS) Trial	93.837	SPS-250383	7,350		
Total National Institutes of Health			7,350		
TOTAL FEDERAL AWARDS			67,957,660	6,882,178	10,228,025
STATE AWARDS					
<u>N.C. Department of Health and Human Services:</u>					
Division of Social Services:					
State Foster Home	N/A	-	-	(173,565)	-
State Foster Home - Maximization	N/A	-	-	3,927,906	-
Aid to Veterans Affairs	N/A	-	-	20,562	-
Collections Incentives/Program Integrity	N/A	-	-	215,993	-
State Child Welfare/Child Protective Services	N/A	-	-	736,672	-
Division of Child Development:					
DCD Smart Start	N/A	-	-	106,514	-
Division of Public Health:					
General	N/A	1312042B0SG2320G0216002, 1312042BTS1902000400000	-	288,727	-
INFRASTRUCTURE - COMP A2 YR3	93.667	1312042B0SG2320G0216002	8,923	-	-
Communicable Disease	N/A	1313042B145102000000002303292 B0249N200TT00000	-	360,445	-
Tuberculosis	N/A	1346002B245542000000000	-	89,354	-
TB Control	93.116	1346002B2272020G0065001	25,766	-	-
STD Drugs	N/A	1332002B0460120G0169002	-	10,116	-
STD Prevention	93.977	1332002B0463120G0182001	100	-	-

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
STATE AWARDS (continued)					
Passed Through NC Partnership for Children and Guilford County Partnership for Children:					
Smart Start Child Care Nurses	N/A	1718-3414/207	\$ -	\$ 411,831	\$ -
Smart Start Adopt a Mom	N/A	3-1314-06-5408	-	43,514	-
Smart Start Family Connects	N/A	1718-5413/235	-	652,102	-
Guilford County Partnership for Children Every Baby Guilford	N/A		-	104,955	-
Passed Through Sandhills Center for Mental Health:					
Single Stream Line Funding	N/A	536998 14225220003D	-	240,000	-
NC Office of Minority Health and Health Disparities Development:					
Passed Through County of Alamance:					
Minority Diabetes Prevention Program	N/A	1262417900	-	5,865	-
Office of Rural Health and Community Care:					
Community Health Grant - Medication Assistance	N/A	90008438	-	35,102	-
Total N.C. Department of Health and Human Services			<u>34,789</u>	<u>7,076,093</u>	
N.C. Department of Environmental Quality					
Division of Environmental Health:					
Food and Lodging	N/A	1311062B04752200SZ00000	-	57,618	-
Division of Water Quality:					
Soil and Water Conservation	N/A	071563613	-	28,280	-
Division of Waste Management:					
Leaking Petroleum Underground Storage Tank Cleanup	N/A	-	-	14,221	-
Total N.C. Department of Environmental Quality			<u>-</u>	<u>100,119</u>	
N.C. Department of Transportation					
<i>Rural Operating Assistance Program (ROAP) Cluster: (Note 3)</i>					
Elderly and Handicapped Transportation (E&DTAP)	N/A	DOT-20CL	-	193,912	-
Rural General Public (RGP)	N/A	DOT-20CL	-	119,040	-
Work First Employment Transportation Assistance	N/A	DOT-20CL	-	89,413	-
Total Rural Operating Assistance Program (ROAP) Cluster			<u>-</u>	<u>402,365</u>	
Total N.C. Department of Transportation			<u>-</u>	<u>402,365</u>	

GUILFORD COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Expenditures		Passed Through to Subrecipients
			Federal	State	
STATE AWARDS (Continued)					
<u>N.C. Department of Public Safety</u>					
N.C. Local Reentry Council	N/A	IA RFP #: 19-013970-LTA	\$ -	\$ 140,455	\$ -
Juvenile Crime Prevention Council Programs	N/A	341-10097,10099,11431, 11524 11525,11606,11939,12269,12278 22274,23258,22280,22299,2230 22307,341-23259, 22312,22314, 23240,22320,1141-22551, 1141- 22962	-	1,321,958	-
Medication-Assisted Treatment in Jails	N/A	19-RFA-RQ96528-WAX	-	224,907	-
NCDPS Youth Focus	N/A	-	-	236,138	-
Total N.C. Department of Public Safety			-	1,923,458	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - NC Education Lottery	N/A	-	-	5,474,378	-
Total N.C. Department of Public Instruction			-	5,474,378	-
<u>N.C. Department of Commerce</u>					
NC Department of Commerce Rural Building Reuse Grant	N/A		-	266,250	-
Total N.C. Department of Commerce			-	266,250	-
<u>US Department of Health and Human Services</u>					
Passed Through N.C. Department of Health and Human Services:					
Foster Care At Risk	N/A		-	784	-
Foster Care At Risk Maximization	N/A		-	84,656	-
Extended Foster Care Max Non IV-E	N/A		-	329,130	-
TOTAL STATE AWARDS			34,789	15,657,233	-
Other Financial Assistance:					
NC Department of Justice					
Opioid Settlement Fund (Note 4)			-	7,121,969	-
TOTAL FEDERAL AND STATE AWARDS			\$ 67,992,449	29,661,380	10,228,025

GUILFORD COUNTY, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2025

Note 1—Basis of presentation

The accompanying Schedule of Expenditures of Federal and State Awards (“SEFSA”) includes the federal and State grant activity of Guilford County under the programs of the federal government and the state of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 *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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements and is not intended to, and does not, present the financial position or changes in net position of Guilford County.

Note 2—Summary of significant accounting policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Guilford County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3—Clusters of programs

The following clusters of programs are clustered by the North Carolina Department of Health and Human Services and are treated separately for federal audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, HIV, Rural Operating Assistance Program, and Special Children Adoption Fund.

Note 4—Opioid Settlement Fund

The North Carolina Department of Justice does not consider Opioid Settlement Funds either federal or State financial assistance since they are from a settlement with 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.



GUILFORD COUNTY, NORTH CAROLINA

Corrective Action Plan

YEAR ENDED JUNE 30, 2025

Guilford County respectfully submits the following corrective action plan for the year ended June 30, 2025.

Audit Period: July 1, 2024 through June 30, 2025

Finding 2025-001 – Significant Deficiency

Criteria: Government Accounting Standards Board (“GASB”) Statement No. 34 requires that liabilities be recorded in the fund financial statements only when they are due and payable.

Condition: The County recorded arbitrage liabilities at the fund level although certain amounts were not due and payable at year-end.

Effect: The County Building Construction Fund, liabilities were overstated by \$2,407,272 and beginning fund balance and revenue were understated by \$1,217,893 and \$1,189,379, respectively.

The School Capital Outlay Fund, liabilities were overstated by \$2,079,523 and beginning fund balance and revenue were understated by \$1,924,853 and \$154,579, respectively.

All amounts have been corrected by management.

Cause: A misinterpretation of GASB 34 and the Governmental Accounting, Auditing and Financial Reporting (GAAFR) guidance of accounting for arbitrage liabilities regarding the recognition of long-term liabilities at the fund level.

Recommendation: We recommend the County ensure liabilities recorded at the fund level are only recognized when due and payable in accordance with GASB No. 34. This may include targeted training for accounting staff related to the recognition of arbitrage liabilities during the financial closing process.

View of Responsible Officials: Management agrees with the finding and is implementing procedures to correct this which is further discussed in the Corrective Action Plan.

Corrective Action Plan: The auditors recommend that the County implement procedures to ensure liabilities recorded at the fund level are only recognized when due and payable in accordance with GASB No. 34.

Finance staff will complete a detailed review of all outstanding liabilities at year-end to ensure proper classification. The review will also include all long-term debt schedules and other long-term obligations to ensure only the principal and interest payments due in the current period are recognized in the governmental fund financial statements.

Will ensure that all finance and accounting staff involved in recording transactions and preparing financial reports are trained on the specific nuances of modified accrual accounting for arbitrage liabilities under GASB 34.

Finance staff will work closely with the external auditors and seek guidance for items that are unfamiliar or unusual to ensure proper classification to comply with Generally Accepted Accounting Principles (GAAP) and meet the requirements of GASB 34.

Person Responsible for Corrective Action: Kristen McCorkle, Financial Reporting Manager

Anticipated Completion Date: June 30, 2026