

GOING FURTHER

**WAKE COUNTY, NORTH CAROLINA**

**REPORT OF INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANTS IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE AND  
GOVERNMENT AUDITING STANDARDS**

**FOR THE YEAR ENDED JUNE 30, 2025**



**WAKE COUNTY, NORTH CAROLINA**  
**SINGLE AUDIT REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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# Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

## **Members of the Board of Commissioners Wake County, North Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Wake 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 29, 2025. Our report includes a reference to other auditors who audited the financial statements of the Wake County Board of Alcoholic Control (the "ABC Board"), as described in our report on the County's financial statements. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or compliance and other matters associated with the ABC Board or that are reported on separately by those auditors who audited the financial statements of the ABC Board.

## **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 opinion 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 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. 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 material weakness.

### **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 grant agreements, 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*.

### **Wake County, North Carolina's Response to the Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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



Raleigh, North Carolina  
December 29, 2025



# Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal and State Awards in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act

**To Members of the Board of Commissioners  
Wake County, North Carolina**

## **Report on Compliance for Each Major Federal Program**

### **Opinion on Each Major Federal Program**

We have audited **Wake County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of 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 major federal program 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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 Responsibilities 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 GAAS, *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 the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material 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 State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-002 and 2025-003 to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

**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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County 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 29, 2025, which contained unmodified opinions on those financial statements, and which refers to the work of other auditors. 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 basic financial statements as a whole.

*Mauldin & Jenkins, PLLC*

Raleigh, North Carolina  
December 29, 2025



# Independent Auditor's Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal and State Awards in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act

**To Members of the Board of Commissioners  
Wake County, North Carolina**

## **Report on Compliance for Each Major State Program**

### **Opinion on Each Major State Program**

We have audited **Wake County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of 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 the 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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 GAAS, *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 the major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material 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 State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control over Compliance

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

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit 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 compliance and, accordingly, we express no opinion on the response.

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

**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 business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County 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 29, 2025, which contained unmodified opinions on those financial statements, and which refers to the work of other auditors. 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 basic financial statements as a whole.



Raleigh, North Carolina  
December 29, 2025

**Wake County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2025**

Grantor/Pass-Through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through	Expenditures		Total	Provided to Subrecipients
		Identifying #	Federal (Direct and Pass-through from)	State		
<b>Federal Awards:</b>						
<b>U.S. Department of Agriculture:</b>						
<b>Passed-through from N.C. Department of Health and Human Services, Division of Social Services:</b>						
<b>Supplemental Nutrition Assistance Program (SNAP) Cluster:</b>						
State Administrative Matching Grants for SNAP	10.561		\$ 8,741,080	\$ 13,024	\$ 8,754,104	\$ -
Total SNAP Cluster			8,741,080	13,024	8,754,104	-
<b>Passed-through from N.C. Department of Health and Human Services, Division of Public Health</b>						
Special Supplemental Nutritional Food Program for Women, Infants, and Children	10.557	403, 415	4,371,629	-	4,371,629	-
<b>Passed-through from Natural Resources Conservation Service</b>						
Watershed Rehabilitation Program	10.916	NR214532XXXXC004	825,967	-	825,967	-
Total U.S. Department of Agriculture			13,938,676	13,024	13,951,700	-
<b>U.S. Department of Housing and Urban Development:</b>						
<b>CDBG -Entitlement Grants Cluster:</b>						
Community Developmental Block Grants/Entitlement Grants	14.218		2,132,834	-	2,132,834	-
Community Developmental Block Grants/Entitlement Grants	14.218-COVID		28,393	-	28,393	-
<b>Passed-through from the City of Raleigh:</b>						
Community Developmental Block Grants/Entitlement Grants	14.218		200,000	-	200,000	-
Total CDBG - Entitlement Grants Cluster			2,361,227	-	2,361,227	-
Emergency Solutions Grants Program	14.231		297,242	-	297,242	-
Home Investment Partnership Program	14.239		2,364,353	-	2,364,353	-
Housing Opportunities for Persons with AIDS - HOPWA	14.241		1,665,413	-	1,665,413	-
Continuum of Care Program	14.267		2,457,259	-	2,457,259	-
<b>Passed-through from Court Appointed Special Advocate (CASA):</b>						
Continuum of Care Program	14.267		128,924	-	128,924	-
Total U.S. Department of Housing and Urban Development			9,274,418	-	9,274,418	-
<b>U.S. Department of Justice:</b>						
State Criminal Alien Assistance Program	16.606		5,907	-	5,907	-
Public Safety Partnership and Community Policing Grants	16.710		45,010	-	45,010	-
Congressionally Recommended Awards	16.753		21,762	-	21,762	-
Body Worn Camera Policy and Implementation	16.835		659,767	-	659,767	-
Equitable Sharing Program	16.922		321,832	-	321,832	-
Comprehensive Opioid, Stimulant, and other Substances Use Program (COSSUP)	16.838		158,590	-	158,590	-
<b>Passed-through from N.C. Department of Public Safety</b>						
Project Safe Neighborhoods	16.609	15PBJA-22-AG-03332-GUNP	6,686	-	6,686	-
<b>Passed-through from City of Raleigh</b>						
Edward Byrne Memorial Justice Assistance Grant Program	16.738		51,797	-	51,797	-
Total U.S. Department of Justice			1,271,351	-	1,271,351	-

**Wake County, North Carolina**

*Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2025*

Grantor/Pass-Through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through Identifying #	Expenditures		Total	Provided to Subrecipients
			Federal (Direct and Pass-through from)	State		
<b>U.S. Department of Labor</b>						
<b>Passed-through from N.C. Department of Economic and Community Development, Job Training Partnership Act:</b>						
<u>WIOA Cluster:</u>						
WIOA - Adult Program	17.258	4010, 4020, 4050	\$ 2,596,615	\$ -	\$ 2,596,615	\$ 1,931,279
WIOA - Youth Activities	17.259	4040, 4050	2,773,389	-	2,773,389	2,095,718
WIOA - Dislocated Workers Formula Grants	17.278	4030, 4031, 4050	1,883,014	-	1,883,014	1,732,074
Total WIOA Cluster			<u>7,253,018</u>	<u>-</u>	<u>7,253,018</u>	<u>5,759,071</u>
Reentry Employment Opportunities	17.270		805,411	-	805,411	505,805
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277		95,651	-	95,651	73,875
<b>Total U.S. Department of Labor</b>			<b><u>8,154,080</u></b>	<b><u>-</u></b>	<b><u>8,154,080</u></b>	<b><u>6,338,751</u></b>
<b>U.S. Department of Transportation</b>						
<b>Federal Highway Administration</b>						
<b>Passed-through from N.C. Department of Transportation:</b>						
Formula Grants for Rural Areas (Community Transportation Program)	20.509	36226.96.9.3	-	170,046	170,046	-
Highway Planning and Construction	20.205	48778.4.17	215,851	-	215,851	-
<u>Highway Safety Cluster:</u>						
State and Community Highway Safety (Governor's Highway Safety Program)	20.600	22024.6.40 / 22025.6.36	237,711	-	237,711	-
Total Highway Safety Cluster			<u>237,711</u>	<u>-</u>	<u>237,711</u>	<u>-</u>
<b>Passed-through from the City of Raleigh, NC:</b>						
<u>Federal Transit Cluster:</u>						
Federal Transit Formula Grant (FTA 5307)	20.507	FTA NC-1065-2023-4	1,004,253	-	1,004,253	-
Federal Transit Formula Grant (FTA 5307) - COVID	20.507-COVID	FTA NC-1065-2023-6	605,970	-	605,970	-
Total Federal Transit Cluster			<u>1,610,223</u>	<u>-</u>	<u>1,610,223</u>	<u>-</u>
<u>Transit Services Program Cluster:</u>						
Enhanced Mobility of Seniors & Individuals w Disabilities (FTA 5310)	20.513		8,915	-	8,915	-
Total Transit Services Program Cluster			<u>8,915</u>	<u>-</u>	<u>8,915</u>	<u>-</u>
Public Transportation Innovation	20.530		6,299	-	6,299	-
<b>Total U.S. Department of Transportation</b>			<b><u>2,078,999</u></b>	<b><u>170,046</u></b>	<b><u>2,249,045</u></b>	<b><u>-</u></b>

**Wake County, North Carolina**

*Schedule of Expenditures of Federal and State Awards*

*For the Year Ended June 30, 2025*

Grantor/Pass-Through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through Identifying #	Expenditures		Total	Provided to Subrecipients
			Federal (Direct and Pass-through from)	State		
<b>U.S. Department of the Treasury</b>						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		\$ 52,265,045	\$ -	\$ 52,265,045	\$ 7,005,794
<b>Passed-through from N.C. Department of Natural and Cultural Resources:</b>						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		331,084	-	331,084	-
<b>Passed-through from City of Raleigh:</b>						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		19,133	-	19,133	23,366
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Public Health:</b>						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID	546,914	901,230	-	901,230	-
<b>Passed-through from N.C. Department of Information Technology</b>						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		37,853	-	37,853	-
<b>Passed-through from N.C. Department of Public Safety:</b>						
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027-COVID		396,315	-	396,315	262,111
<b>Total U.S. Department of Treasury</b>			<b>53,950,660</b>	<b>-</b>	<b>53,950,660</b>	<b>7,291,271</b>
<b>U.S. Department of Education:</b>						
<b>Passed-through from N.C. Department of Public Instruction</b>						
School Safety National Activities	84.184		88,161	-	88,161	-
<b>Total U.S. Department of Education</b>			<b>88,161</b>	<b>-</b>	<b>88,161</b>	<b>-</b>
<b>U.S. Department of the Health and Human Services</b>						
<b><u>Administration for Children and Families</u></b>						
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Social Services:</b>						
Promoting Safe and Stable Families Program	93.556		177,212	-	177,212	-
Temporary Assistance for Needy Families (TANF)	93.558		5,376,878	-	5,376,878	-
Child Support Enforcement	93.563		6,489,299	-	6,489,299	-
Low-Income Home Energy Assistance	93.568		459,291	-	459,291	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		278,488	-	278,488	-
Social Services Block Grant	93.667		1,833,587	173,854	2,007,441	-
Chafee Foster Care Program For Successful Transition to Adulthood	93.674		143,923	27,496	171,419	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		128,815	-	128,815	-
<b><u>Foster Care and Adoption Cluster:</u></b>						
Foster Care - Title IV-E	93.658		5,710,519	2,933,926	8,644,445	-
Adoption Assistance	93.659		759,578	115,256	874,834	-
Unlicensed Kinship State Program	NA		-	178,901	178,901	-
Foster Care Emergency Placement	NA		-	161,513	161,513	-
<b>Total Foster Care and Adoption Cluster</b>			<b>6,470,097</b>	<b>3,389,596</b>	<b>9,859,693</b>	<b>-</b>

**Wake County, North Carolina**

*Schedule of Expenditures of Federal and State Awards*

*For the Year Ended June 30, 2025*

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal Assistance Listing Number</u>	<u>State Pass-through Identifying #</u>	<u>Expenditures</u>		<u>Total</u>	<u>Provided to Subrecipients</u>
			<u>Federal (Direct and Pass-through from)</u>	<u>State</u>		
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Child Development and Early Education:</b>						
<u>Subsidized Child Care Cluster</u>						
<u>Child Care Development Fund Cluster:</u>						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596		\$ 2,435,615	\$ -	\$ 2,435,615	\$ -
Total Child Care Development Fund Cluster			2,435,615	-	2,435,615	-
Smart Start	NA		-	213,822	213,822	-
Total Subsidized Child Care Cluster			2,435,615	213,822	2,649,437	-
<b>Centers for Medicare and Medicaid Services</b>						
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Medical Assistance:</b>						
<u>Medicaid Cluster:</u>						
Medical Assistance Program (Medicaid)	93.778		24,814,327	1,724,569	26,538,896	-
Total Medicaid Cluster			24,814,327	1,724,569	26,538,896	-
Children's Health Insurance Program - N.C. Health Choice	93.767		1,364,875	438,558	1,803,433	-
<b>Centers for Disease Control and Prevention</b>						
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health (WorkwithWake)	93.967		1,934,186	-	1,934,186	-
<b>Passed-through from the N.C. Department of Health and Human Services, Division of Public Health:</b>						
Public Health Emergency Preparedness Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.069	514	86,360	-	86,360	-
Immunization Cooperative Agreements	93.116	551	33,399	102,871	136,270	-
National and State Tobacco Control Program	93.268	510, 715	166,608	52,158	218,766	-
Well Integrated Screening and Evaluation for Women Across the Nation	93.387	451	58,306	41,266	99,572	-
Temporary Assistance for Needy Families (TANF)	93.436	465	19,530	-	19,530	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.558	151	72,098	-	72,098	-
Cancer Prevention and Control Programs	93.566	583	234,742	-	234,742	-
HIV Prevention Activities - Health Department Based	93.898	452	71,500	52,150	123,650	-
Sexually Transmitted Diseases Prevention and Control Grants	93.940	536, 587, 825	174,688	113,281	287,969	-
Preventive Health and Health Services Block Grant	93.977	534, 547, 610	80,665	293,548	374,213	-
	93.991	886	29,543	3,785	33,328	-
<b>Health Resources and Services Administration</b>						
HIV Care Formula Grants	93.917	574, 611, 822	2,869,134	-	2,869,134	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		647,146	-	647,146	-
Maternal and Child Health Services Block Grants to the States	93.994	101, 151, 318, 351, 352, 701, 834	824,894	362,232	1,187,126	-

**Wake County, North Carolina**

*Schedule of Expenditures of Federal and State Awards*

*For the Year Ended June 30, 2025*

Grantor/Pass-Through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through Identifying #	Expenditures		Total	Provided to Subrecipients
			Federal (Direct and Pass-through from)	State		
<b><u>National Institutes of Health</u></b>						
<b>Passed-through from the Duke University:</b>						
Cardiovascular Diseases Research	93.837	1UG3HL146935-01A1	\$ 5,275	\$ -	\$ 5,275	\$ -
<b><u>Food and Drug Administration</u></b>						
Food and Drug Administration Research	93.103		34,227	-	34,227	-
<b><u>Office of Assistant Secretary for Health</u></b>						
Family Planning Services	93.217	151	236,670	44,863	281,533	-
<b><u>Substance Abuse and Mental Health Services Administration</u></b>						
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		160,361	-	160,361	-
<b>Total U.S. Department of Health and Human Services</b>			<b>57,711,739</b>	<b>7,034,049</b>	<b>64,745,788</b>	<b>-</b>
<b><u>Corporation for National and Community Service (CNCS) - "AmeriCorps":</u></b>						
AmeriCorps Volunteers In Service to America (VISTA)	94.013		32,862	-	32,862	-
<b>Total Corporation for National and Community Service (CNCS)</b>			<b>32,862</b>	<b>-</b>	<b>32,862</b>	<b>-</b>
<b><u>Executive Office of the President:</u></b>						
<b>Office of National Drug Control and Policy (ONDCP)</b>						
<b>Passed-through from the City of Durham:</b>						
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G24GA0004A	85,000	-	85,000	-
<b>Total Executive Office of the President</b>			<b>85,000</b>	<b>-</b>	<b>85,000</b>	<b>-</b>
<b>U.S. Department of Homeland Security:</b>						
<b>Federal Emergency Management Agency</b>						
<b>Passed-through from N.C. Department of Public Safety</b>						
Emergency Management Performance Grant	97.042		91,579	-	91,579	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)						
Hurricane Helene	97.036		443,593	-	443,593	-
State and Local Cybersecurity Grant Program	97.137	EMW-2023-CY-00066	37,500	-	37,500	-
<b>Total U.S. Department of Homeland Security</b>			<b>572,672</b>	<b>-</b>	<b>572,672</b>	<b>-</b>
<b>Total Federal Awards</b>			<b>147,158,618</b>	<b>7,217,119</b>	<b>154,375,737</b>	<b>13,630,022</b>

**Wake County, North Carolina**

*Schedule of Expenditures of Federal and State Awards*

*For the Year Ended June 30, 2025*

Grantor/Pass-Through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through	Expenditures		Total	Provided to Subrecipients
		Identifying #	Federal (Direct and Pass-through from)	State		
<b>State Awards:</b>						
<b>N.C. Department of Natural and Cultural Resources:</b>						
<b>Division of State Library:</b>						
State Aid to Libraries			\$ -	\$ 788,486	\$ 788,486	\$ -
<b>N.C. Parks and Recreation</b>						
N.C. Parks and Recreation Trust Fund (PARTF) Beech Bluff County Park			-	425,000	425,000	-
<b>Total N.C. Department of Natural and Cultural Resources</b>			<b>-</b>	<b>1,213,486</b>	<b>1,213,486</b>	<b>-</b>
<b>N.C. Department of Health and Human Services:</b>						
<b>Division of Public Health:</b>						
Community Health Medical Access			-	149,587	149,587	-
General Aid to Counties		110, 121	-	281,431	281,431	-
HIV Non-Traditional Test Site		536, 894	-	61,397	61,397	-
School Nurse Funding Initiative		803	-	50,000	50,000	-
Improving Community Outcomes for Maternal and Child Health		164	-	450,000	450,000	-
<b>Total Division of Public Health</b>			<b>-</b>	<b>992,415</b>	<b>992,415</b>	<b>-</b>
<b>Division of Child Development:</b>						
North Carolina Smart Start			-	665,510	665,510	-
<b>Total N.C. Department of Health and Human Services</b>			<b>-</b>	<b>1,657,925</b>	<b>1,657,925</b>	<b>-</b>
<b>N.C. Department of Transportation:</b>						
<b>Division of Public Transportation:</b>						
<u>Rural Operating Assistance Program (ROAP) - Cluster</u>						
Elderly and Disabled Transportation Assistance Program (EDTAP)		36220.10.13.1	-	367,116	367,116	-
Employment Transportation Assistance Program		36236.11.12.1	-	249,267	249,267	-
Rural General Public Program (RGP)		36228.22.13.1	-	118,830	118,830	-
<b>Total Rural Operating Assistance Program (ROAP) Cluster</b>			<b>-</b>	<b>735,213</b>	<b>735,213</b>	<b>-</b>
<b>Total N.C. Department of Transportation</b>			<b>-</b>	<b>735,213</b>	<b>735,213</b>	<b>-</b>
<b>N.C. Department of Environmental Quality</b>						
Environment Health Food & Lodging		874	-	147,596	147,596	-
NC Electronic Recycling			-	65,934	65,934	-
Scrap Tire Disposal Program			-	2,259,774	2,259,774	-
White Goods Management Program			-	387,795	387,795	-
<b>Total N.C. Department of Environmental Quality</b>			<b>-</b>	<b>2,861,099</b>	<b>2,861,099</b>	<b>-</b>
<b>N.C. Department of Agriculture and Consumer Services</b>						
State Farm Grant			-	24,488	24,488	-
Community Conservation Assistance			-	50,000	50,000	-
<b>Total N.C. Department of Agriculture and Consumer Services</b>			<b>-</b>	<b>74,488</b>	<b>74,488</b>	<b>-</b>
<b>N.C. Department of Public Instruction</b>						
Public School Building Capital Fund - Lottery Proceeds			-	11,982,818	11,982,818	-
<b>Total N.C. Department of Public Instruction</b>			<b>-</b>	<b>11,982,818</b>	<b>11,982,818</b>	<b>-</b>

**Wake County, North Carolina**  
*Schedule of Expenditures of Federal and State Awards*  
*For the Year Ended June 30, 2025*

Grantor/Pass-Through Grantor/Program Titles	Federal Assistance Listing Number	State Pass-through	Expenditures		Total	Provided to Subrecipients
		Identifying #	Federal (Direct and Pass-through from)	State		
<b>N.C. Department of Public Safety</b>						
Tier II Noncompetitive (LEPC Support and BEST Conference)			\$ -	\$ 2,000	\$ 2,000	\$ -
Juvenile Crime Prevention Programs			-	2,020,555	2,020,555	1,639,848
<b>Total N.C. Department of Public Safety</b>			<b>-</b>	<b>2,022,555</b>	<b>2,022,555</b>	<b>1,639,848</b>
<b>N.C. Department of Adult Correction</b>						
Capital Area Workforce Development Local Reentry Council Services		52-RFP-608870582-CCS	-	152,131	152,131	-
<b>Total N.C. Department of Adult Correction</b>			<b>-</b>	<b>152,131</b>	<b>152,131</b>	<b>-</b>
<b>N.C. Department of Military and Veteran Affairs</b>						
<b>Division of Veterans Affairs</b>						
Veterans Service Program			-	2,273	2,273	-
<b>Total N.C. Department of Military and Veteran Affairs</b>			<b>-</b>	<b>2,273</b>	<b>2,273</b>	<b>-</b>
<b>Total State Awards</b>			<b>-</b>	<b>20,701,988</b>	<b>20,701,988</b>	<b>1,639,848</b>
<b>Other Financial Assistance:</b>						
<b>N.C. Department of Justice</b>						
Opioid Settlement Funds			-	2,470,787	2,470,787	2,167,909
<b>Total Other Financial Assistance</b>			<b>-</b>	<b>2,470,787</b>	<b>2,470,787</b>	<b>2,167,909</b>
<b>Total Federal and State Awards</b>			<b>\$ 147,158,618</b>	<b>\$ 30,389,894</b>	<b>\$ 177,548,512</b>	<b>\$ 17,437,779</b>

# WAKE COUNTY, NORTH CAROLINA

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

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### NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal and state grant activity of the County under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Therefore, some of the amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the financial statements. Also, because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the State Single Audit Implementation Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The County has elected not to use the 10% de Minimis indirect cost rate as allowed under the Uniform Guidance.

### NOTE 3. CLUSTER OF PROGRAMS

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Subsidized Child Care; Foster Care and Adoption

### NOTE 4. OPIOID SETTLEMENT FUND

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

# WAKE COUNTY, NORTH CAROLINA

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

### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

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

Internal control over financial reporting:  
Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

#### **Federal Awards**

Internal control over major state programs:  
Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major programs:

#### Assistance Listing Number

93.778

17.258, 17.259, 17.278

21.027

93.563

#### Name of Federal Program or Cluster

Medicaid Cluster

WIOA Cluster

Coronavirus State and Local Fiscal Recovery Funds

Child Support Enforcement

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? No

# WAKE COUNTY, NORTH CAROLINA

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

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### SECTION I

#### SUMMARY OF AUDIT RESULTS (CONTINUED)

##### State Awards

Internal control over major state programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None Reported

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

Auditee qualified as low-risk auditee?

No

Identification of major State programs:

##### Program Name

NC Smart Start

Public School Capital Building Fund

Scrap Tire Disposal Program

State Aids to Libraries

Opioid Settlement State Program

Other major state programs include Medical Assistance Program (Medicaid) which has a state match on the federal program. Therefore, this program has been included in the major programs above.

**WAKE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

---

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

**2025-001 Restatement of Prior Year Balances**

**Criteria:** Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

**Condition:** Internal controls were not sufficient to timely detect material misstatements in the County's financial statements for the year ended June 30, 2024.

**Context/Cause:** During our audit for the year ended June 30, 2025, material misstatements in the opening balances of the County were identified and, thus, error corrections were required as follows:

- An error in recording the loan arbitrage payable in the Debt Service fund that should not have been recorded at the fund level in the amount of \$8,475,578.
- An error in the recording of deferred gains from advanced refundings of debt in the amount of \$128,384,110 at the government-wide level.

**Effects:** As a result of the issues identified above, material audit adjustments were required to correct previously reported balances of the County. The fund balance of the Debt Service fund increased by \$8,475,578 and the net position of the governmental activities increased \$128,384,110.

**Recommendation:** We recommend the County carefully review the financial statements and the applicable reporting requirements under GAAP to ensure that all information and financial data is properly reported.

**Auditee's Response:** We concur with the finding.

# WAKE COUNTY, NORTH CAROLINA

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

---

### SECTION III

#### FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### **2025-002 Significant Deficiency over Eligibility (Repeat Finding)**

**Information on the Federal Program:** Medicaid Cluster (Medicaid), Assistance Listing Number 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Medical Assistance.

**Criteria:** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to service as evidence for the appropriate eligibility determination, including:

- accurate computation of countable income and resources
- verification of unearned income
- verification of earned income

**Condition:** We noted two instances where the total countable income for the applicant did not agree to the supporting documentation found in the applicant's file.

**Context/Cause:** The County did not retain required documentation in case files at the time eligibility was determined. We noted the above conditions in two out of the sixty case files inspected for applicable payments.

**Effects:** Case files not containing all required documentation results in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. For all two cases, subsequent to being notified that required documentation had not been retained in the case file, the County was able to obtain documentation to substantiate that the applicants tested were eligible to receive benefits.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policies and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

**Auditee's Response:** We concur with the finding.

# WAKE COUNTY, NORTH CAROLINA

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

---

### SECTION III

#### FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

##### **2025-003 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principle (Repeat Finding)**

**Information on the federal program:** Medicaid Cluster (Medicaid), Assistance Listing Number 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Medical Assistance.

**Criteria:** Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

**Condition:** Employee's time is tracked through the use of day sheets in which employees track their time by service code in 6-minute increments. Day sheets are used to complete weekly timesheets which are approved by supervisors. We noted five out of sixty sheets selected for Medicaid had more program minutes than what was reported on the employee's approved time sheet.

**Context/Cause:** As the day sheets included more program time than was included on the employee's approved timesheet, the time spent on this program was understated during the 1571 monthly reimbursement request to the State. We noted the above condition in five out of sixty sheets selected for Medicaid.

**Effects:** Inaccurate reporting of time coded to programs affects the total federal and state reimbursement for the program.

**Recommendation:** We recommend that the County implements a review control over weekly timesheets to ensure the timesheets include all program time coded on the day sheets.

**Auditee's Response:** We concur with the finding.

### SECTION IV

#### STATE AWARD FINDINGS AND QUESTIONED COSTS

Findings 2025-002 and 2025-003 as listed in Section III Federal Award Findings and Questioned Costs are also considered to be state award findings.

# WAKE COUNTY, NORTH CAROLINA

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

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### 2024-001 Restatement of Prior Year Balances

**Criteria:** Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

**Condition:** Internal controls were not sufficient to timely detect material misstatements in the County's financial statements for the year ended June 30, 2024.

**Current Status:** Repeat finding 2025-001.

### 2024-002 Significant Deficiency over Eligibility (Repeat Finding)

**Criteria:** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to service as evidence for the appropriate eligibility determination, including:

- accurate computation of countable income and resources
- verification of unearned income
- verification of earned income

**Current Status:** Repeat finding 2025-002.

### 2024-003 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principle

**Criteria:** Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

**Condition:** Employee's time is tracked through the use of day sheets in which employees track their time by service code in 6-minute increments. Day sheets are used to complete weekly timesheets which are approved by supervisors. We noted nine out of forty day sheets selected for Foster Care, one out of forty day sheets selected for Medicaid, and four out of forty day sheets selected for SNAP had more program minutes than what was reported on the employee's approved time sheet.

**Current Status:** Repeat finding 2025-003.



**Finance  
Department**

TEL 919 856 6120  
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www.wake.gov

**Wake County, North Carolina respectfully submits the following corrective action plans for the year ended June 30, 2025.**

**Name and address of independent public accounting firm:**

**Mauldin & Jenkins  
4208 Six Forks Road, Ste 1000  
Raleigh, NC 27609**

**Audit Period: June 30, 2025**

The following Corrective Action Plans are in response to the audit findings reported in the FY 2025 Compliance Audit.

**2025-001                      Restatements of Prior Year Balances;** Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

**Recommendation:** We recommend the County carefully review the financial statements and the applicable reporting requirements under GAAP to ensure that all information and financial data is properly reported.

**Corrective Action:** The County will continue to review new GAAP guidance for financial statement reporting, seeking additional training or assistance from our auditors where necessary. Draft statements will be produced earlier in the fiscal year to allow time to review accuracy by finance staff.

**Proposed Completion Date:** June 30, 2026

**Name of Contact Person:** Kim Lorbacher, Deputy Finance Director

**2025-002                      Significant Deficiency over Eligibility (Repeat Finding);** Medicaid Cluster (Medicaid), Assistance Listing Number 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Medical Assistance.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policies and procedures in place to ensure

that all eligibility determination documentation is completed and retained by the County.

**Corrective Action:**

The County will complete a quarterly review of errors in income and documentation. For those staff identified by the targeted review with errors in these areas, supervisors will provide refresher training on Medicaid policy requirements. Additional targeted reviews will be completed monthly until the deficiencies are corrected.

**Proposed Completion Date:** July 31, 2026

**Name of Contact Person:** Kathryn Thompson, Medicaid Assistant Division Director

**2025-003 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principle (Repeat Finding);** Medicaid Cluster (Medicaid), Assistance Listing Number 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Medical Assistance.

**Recommendation:**

We recommend that the County implements a review control over weekly timesheets to ensure the timesheets include all program time coded on the day sheets.

**Corrective Action:**

County staff will receive annual Daysheet Training. The County will conduct training on the time sheet process. The county will continue random monthly reviews of Daysheets and timesheets initiated for May 2025. For those staff identified by the random monthly review with discrepancies, supervisors will provide refresher training on Daysheet and timesheet procedures. Additional targeted reviews will be completed monthly until the deficiencies are corrected.

**Proposed Completion Date:** July 31, 2026

**Name of Contact Person:** Kathryn Thompson, Medicaid Assistant Division Director

Sincerely yours,



W. Patrick Flanary  
Chief Financial Officer