

**PUBLIC LIBRARY OF CHARLOTTE
AND MECKLENBURG COUNTY
(A Component Unit of
Mecklenburg County, North Carolina)**

COMPLIANCE REPORT

For the Year Ended June 30, 2025

And Reports on Compliance and Internal Control

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg 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 Trustees
Public Library of Charlotte and Mecklenburg County
Charlotte, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Public Library of Charlotte and Mecklenburg County (the "Library"), a component unit of Mecklenburg County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated October 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library'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 Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library'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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library'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*.

Library's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Library's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Library'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 Library'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 Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The script is cursive and fluid, with the letters "Cherry" and "Bekaert" being more prominent than "LLP".

Charlotte, North Carolina
October 23, 2025

Report of Independent Auditor on Compliance for the Major Federal Program and on Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act

To the Board of Trustees
Public Library of Charlotte and Mecklenburg County
Charlotte, North Carolina

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Public Library of Charlotte and Mecklenburg County's (the "Library") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Library's major federal program for the year ended June 30, 2025. The Library's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Library 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 federal program for the year ended June 30, 2025.

Basis for Opinion on the 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* 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 Library 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 the major federal program. Our audit does not provide a legal determination of the Library'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 Library'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 Library'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*, 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 Library's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, 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 Library'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 Library'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 Library's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Library's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Library'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.

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

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

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 Library's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Library'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.

Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of the Library 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 October 23, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Library'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 State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 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.

Cherry Bekaert LLP

Charlotte, North Carolina
December 10, 2025

Report of Independent Auditor on Compliance for the Major State Program and on Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act

To the Board of Trustees
Public Library of Charlotte and Mecklenburg County
Charlotte, North Carolina

Report on Compliance for the Major State Program

Opinion on the Major State Program

We have audited the Public Library of Charlotte and Mecklenburg County's (the "Library") compliance with the types of compliance requirements identified as subject to audit 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 the of the Library's major state program for the year ended June 30, 2025. The Library's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Library 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 the 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* 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, 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 Library 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 the major state program. Our audit does not provide a legal determination of the Library'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 Library's state 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 Library'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 Library's compliance with the requirements of the 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 Library'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 Library'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, but not for the purpose of expressing an opinion on the effectiveness of the Library'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 state 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 state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of the Library 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 October 23, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Library'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 State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the 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 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. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
December 10, 2025

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg 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 statements audited were prepared in accordance with U.S. 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 federal programs:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ no

Noncompliance material to financial statements noted? ☐ yes ☒ no

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major federal programs:

Federal Financial Assistance

Listing Number

21.027

Name of Federal Program or Cluster

COVID 19: – Coronavirus State and Local Fiscal Recovery Funds: ARPA Digital Divide

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

\$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg 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 State Major Programs:

- Material weakness(es) identified? ☐ Yes ☒ no
- Significant deficiency(ies) identified? ☐ Yes ☒ none reported

Type of Auditor's Report Issued on Compliance
for Major Programs:

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with State Single Audit Implementation Act

☐ Yes ☒ no

Identification of major state programs:

Program Name:
State Aid to Public Libraries

Section II – Financial Statement Findings

Material Weakness – Finding 2025-001

Criteria: The American Institute of Certified Public Accountants defines government organizations as all public corporations and bodies corporate and politic or other organizations that have one or more of the following characteristics:

- Officers of the organization are elected by popular vote.
- A controlling majority of the organization's officers are appointed by officials of one or more governments.
- A government could unilaterally dissolve the organization and retain the organization's remaining net position.
- The organization has the power to levy taxes.

All organizations that meet the definition of a government organization, as defined above, must follow the Governmental Accounting Standards Board (“GASB”) for financial reporting purposes.

Condition: The Library Foundation, since inception, has been reporting under Financial Accounting Standards Board (“FASB”). However, due to the Library Foundation meeting the definition of a government organization, due to the majority of its board of directors being appointed by the Public Library of Charlotte and Mecklenburg County (a public body), the Library Foundation is considered a government organization and should have reported its financial statements using the GASB financial reporting standards.

Effect: While most of the Library Foundation transactions have similar guidance under GASB and FASB, one material difference is the timing of recognition of revenue that is considered available based on an organization’s availability criteria policy under GASB for fund level reporting. As such, approximately \$5,300,000 of pledges receivable as of June 30, 2024, that were properly recognized as revenue under FASB guidance should not have been recognized in the fund level reporting until it met the Library Foundations revenue availability criteria under GASB. The Library Foundation has reduced its beginning fund balance for these amounts as result of having to report under the GASB standards and the Library Foundation choosing an availability criteria period of one year.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Cause: It was not determined the Public Library Foundation met the definition of a governmental organization and was viewed as a nongovernmental organization based on its initial setup as a non-profit organization and not based on the AICPA definition, which resulted in an improper use of the FASB standards in reporting their financial statements under FASB rather than GASB.

Recommendation: We recommend the Library ensure the definition of a government organization is properly assessed for all potential component units of the Library and the GASB standards be followed when an organization is determined to meet the AICPA definition of a government organization.

View of Responsible Officials: The Library agrees with this finding - see the Corrective Action Plan for more information.

Section III – Federal Award Finding and Questioned Costs

U.S. Department of Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Funds

Federal Assistance Listing Number: 21.027

Material Weakness, Nonmaterial Noncompliance - Procurement
Finding 2025-002

Criteria or Specific Requirement: Per Section 200.318 of the Uniform Grant Guidance, a non-federal entity must use documented procurement procedures for the acquisition of services required under a federal or State award.

Condition: During the audit, we tested three (3) contracts and noted the following:

- a) There were three (3) instances out of three (3) contracts tested where the Library did not properly verify the vendor was not suspended or debarred prior to contract execution.
- b) There was one (1) instance out of three (3) contracts tested where the Library did not properly follow the Uniform Grant Guidance procurement standards for contracted services.

Questioned Costs: None.

Effect: By not having the required documentation and rationalization in the files, the Library could have improperly contracted with a vendor that was not considered eligible to be paid with grant proceeds.

Cause: The Library did not ensure all contracts utilized for the grant were contracted and properly documented using the required procurement requirements in accordance with the Uniform Grant Guidance procurement standards.

Recommendation: The Library should consider utilizing the Uniform Grant Guidance procurement standards for all Library contracts or ensure new contracts are executed when Federal or State grant funds are identified to be utilized for the contracts.

Views 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: See Corrective Action Plan prepared by the Library.

Section IV – State Award Findings and Questioned Costs

None reported.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section V – Prior Year Findings

None reported.



December 8, 2025

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The fiscal year 2025 annual audit identified a material weakness with the Library's financial reporting framework. The Library Foundation since inception has been reporting under Financial Accounting Standards Board ("FASB"). However, due to the Library Foundation meeting the definition of a government organization, due to the majority of its board of directors being appointed by the Public Library of Charlotte and Mecklenburg County (a public body), the Library Foundation is considered a government organization and should have reported its financial statements using the GASB financial reporting standards.

Public Library of Charlotte and Mecklenburg County
Material Weakness
Finding 2025-001

Corrective Action Plan:

Because of the material weakness finding, the following actions have/will be taken:

- The Library has implemented GASB financial reporting standards to the Foundation beginning with fiscal year 2025 financial statements.
- The Library will conduct an annual review of Foundation financial reporting to confirm ongoing compliance with GASB standards.

Each action stated in the corrective action plan will be completed during and by the end of fiscal year 2026.

Responsible Parties: Michael Boger, Deputy Finance Director

Michael Boger
Michael Boger (Dec 8, 2025 08:59:05 EST)

Signature



The fiscal year 2025 annual audit identified a material weakness in internal controls regarding documentation of procurement procedures required under federal or State awards, specifically related to suspension/debarment verification and sole-source justification.

Public Library of Charlotte and Mecklenburg County
Material Weakness
Finding 2025-002

Corrective Action Plan:

Because of the material weakness finding, the following actions have/will be taken:

- When utilizing federal funds, the Library will properly document verification that vendors were not suspended or debarred prior to contract execution in accordance with Uniform Grant Guidance procurement standards.
- The Library will ensure that all required documentation supporting sole source vendor selection is completed and retained in accordance with the Library's procurement policy.

Each action stated in the corrective action plan will be completed during and by the end of fiscal year 2026.

Responsible Parties: Michael Boger, Deputy Finance Director

Michael Boger
Michael Boger (Dec 8, 2025 08:59:05 EST)

Signature

Angela L. Myers

Signature

Angie Myers
Interim CEO & Chief Financial and Administrative Officer (CFO)

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

YEAR ENDED JUNE 30, 2025

<u>Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Expenditures</u>	<u>Local Match</u>
American Rescue Plan Act passed through the State of North Carolina, and distributed to the Public Library of Charlotte and Mecklenburg County			
Non-recurring State Aid	21.027	\$ 29,213	
American Rescue Plan Act passed through County of Mecklenburg, and distributed to the Public Library of Charlotte and Mecklenburg County			
ARPA - Digital Divide	21.027	1,515,755	
Total Federal Financial Assistance		1,544,968	
State Grants distributed directly to the Public Library of Charlotte and Mecklenburg County			
North Carolina Department of Cultural Resources, Division of State Library: Aid to Public Libraries (State Aid) Program	-	791,226	
Total State Financial Assistance		791,226	
Total Federal and State Awards Expended		\$ 2,336,194	\$ -

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE
FINANCIAL AWARDS

YEAR ENDED JUNE 30, 2025

Note 1—Basis of presentation

The information in the schedule of expenditures of federal and state awards ("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"), the *Audit Manual for Governmental Auditors in North Carolina*, 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.

Note 2—Significant accounting policies

Expenditures reported on 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.

The Library has not contracted or made awards to any subrecipients.

The Library has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.