

NEW CASTLE COUNTY, DELAWARE

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2024



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**INDEPENDENT AUDITORS' 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 County Council
New Castle County, Delaware
New Castle, Delaware

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, the business-type activities, each major fund, and the aggregate remaining fund information of New Castle County, Delaware (the County), as of and for the year ended June 30, 2024, 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 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Members of County Council
New Castle County, Delaware

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*.

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



CliftonLarsonAllen LLP

Baltimore, Maryland
December 18, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Members of County Council
New Castle County, Delaware
New Castle, Delaware

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Castle County's (the County) 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 each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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 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.

Auditors' 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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New Castle County, Delaware as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise New Castle County, Delaware's basic financial statements. We have issued our report thereon, dated December 18, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 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 awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
February 18, 2025

NEW CASTLE COUNTY, DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Agency: Pass-Through Entity: Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Total Subrecipient Expenditures
U.S. Department of Agriculture:				
Agricultural Marketing Service				
Farmers' Market and Local Food Promotion Program	10.175	N/A	\$ 44,434	\$ -
Total U.S. Department of Agriculture			<u>44,434</u>	<u>-</u>
U.S. Department of Housing & Urban Development:				
Office of Community Planning and Development				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant/Entitlement Grants	14.218	N/A	3,796,760	561,602
Pass-Through Program From:				
<i>Delaware State Housing Authority (1)</i>				
Community Development Block Grants/Entitlement Grants	14.218	NSP 05-08	22,812	-
Pass-Through Program From:				
<i>City of Wilmington (2)</i>				
Community Development Block Grants/Entitlement Grants	14.218	None Provided	485,527	-
Total CDBG - Entitlement Grants Cluster			<u>4,305,099</u>	<u>561,602</u>
CDBG - State-Administered CDBG				
Pass-Through Program From:				
<i>Delaware State Housing Authority (1)</i>				
Community Development Block Grants/State	14.228	NSP 02-11	555	-
Total CDBG - State-Administered CDBG			<u>555</u>	<u>-</u>
Emergency Solutions Grant Program	14.231	N/A	321,186	307,604
Pass-Through Program From:				
<i>City of Wilmington (2)</i>				
Emergency Solutions Grant - CV Funds/COW	14.231	None Provided	241,500	-
Total Emergency Solutions Grant Program			<u>562,686</u>	<u>307,604</u>
HOME Investment Partnerships Program	14.239	N/A	2,182,220	1,000,156
Economic Development Initiative, Community Project Funding & Misc Grants	14.251	N/A	635,372	-
Pass-Through Program From:				
<i>Delaware State Housing Authority (1)</i>				
Neighborhood Stabilization Program ARRA	14.256	NSP 02-09	263,754	-
Office of Public and Indian Housing				
Housing Choice Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	N/A	16,070,594	-
Total Housing Choice Voucher Cluster			<u>16,070,594</u>	<u>-</u>
Office of Lead Hazard Control and Healthy Homes				
Lead-Based Paint Hazard Control in Privately-owned Housing	14.900	N/A	637,685	-
Lead Hazard Reduction Demonstration Grant Program	14.905	N/A	229,317	-
Healthy Homes Production Program	14.913	N/A	556,102	-
Total Office of Lead Hazard Control and Healthy Homes			<u>1,423,104</u>	<u>-</u>
Total U.S. Department of Housing & Urban Development			<u>25,443,384</u>	<u>1,869,362</u>
U.S. Department of Justice:				
Bureau of Justice Assistance				
COVID-19 Coronavirus Emergency Supplement Funding Program	16.034	N/A	56,921	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	183,088	-
Pass-Through Programs From:				
<i>Criminal Justice Council (1)</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	FY21 BJAG 3041	16,876	-
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>199,964</u>	<u>-</u>
ABH Mental Health	16.745	N/A	73,560	39,602
Congressionally Recommended Awards	16.753	N/A	119,182	-
Comprehensive Opioid Abuse Site-Based Program	16.838	N/A	277,458	104,248
Total Bureau of Justice Assistance			<u>727,085</u>	<u>143,850</u>
Office for Victims of Crime				
Pass-Through Programs From:				
<i>Criminal Justice Council (1)</i>				
Crime Victim Assistance	16.575	VF-2814, VF-2866	42,794	-
Office of Community Oriented Policing Services				
Public Safety Partnership and Community Policing Grants	16.710	N/A	85,202	-
Criminal Division				
Equitable Sharing Program	16.922	N/A	42,310	-
Total U.S. Department of Justice			<u>897,391</u>	<u>143,850</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NEW CASTLE COUNTY, DELAWARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Agency: Pass-Through Entity: Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Total Subrecipient Expenditures
<u>U.S. Department of Transportation:</u>				
National Highway Traffic Safety Administration				
<i>FMCSA Cluster</i>				
Pass-Through Programs From:				
<i>Department of Transportation (1)</i>				
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	CMVE24-01	\$ 473 473	\$ - -
<i>Total FMCSA Cluster</i>				
<i>Highway Safety Cluster</i>				
Pass-Through Programs From:				
<i>Department of Transportation (1)</i>				
State and Community Highway Safety	20.600	Various	10,861	-
National Priority Safety Programs	20.616	Various	8,310	-
<i>Total Highway Safety Cluster</i>			19,171	-
Pass-Through Programs From:				
<i>Department of Transportation (1)</i>				
Alcohol Open Container Requirements	20.607	Various	2,303 21,947	- -
<i>Total U.S. Department of Transportation</i>				
<u>U.S. Department of Treasury:</u>				
Coronavirus Relief Fund				
COVID-19 Coronavirus Relief Fund	21.019	N/A	6,655	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	30,166,719	4,948,501
Local Assistance and Tribal Consistency Fund	21.032	N/A	24,000	-
Pass-Through Programs From:				
<i>Delaware State Housing Authority (1)</i>				
COVID-19 Emergency Rental Assistance Program	21.023	DE-ERA2-HSS-CNP-010	15,182	-
<i>Department of Finance (1)</i>				
COVID-19 Coronavirus Capital Projects Fund	21.029	None Provided	1,714,365 31,926,921	- 4,948,501
<i>Total U.S. Department of Treasury</i>				
<u>National Endowment for the Humanities:</u>				
Pass-Through Programs From:				
<i>Arts Midwest</i>				
Promotion of the Arts - Grants to Organizations and Individuals	45.024	2023-1513	19,480 19,480	- -
<i>Total National Endowment for the Humanities</i>				
<u>Institute of Museum and Library Services:</u>				
Pass-Through Programs From:				
<i>Department of State (1)</i>				
COVID-19 Grants to States - ARPA	45.310	None Provided	726 726	- -
<i>Total Institute of Museum and Library Services</i>				
<u>Department of Homeland Security:</u>				
Federal Emergency Management Agency				
Pass-Through Programs From:				
<i>Department of Safety and Homeland Security (1)</i>				
Emergency Management Performance Grants	97.042	EMPG 20, S20, 21, 22, 23, 24)-002	297,451	-
Homeland Security Grant Program (3)	97.067	EMPG S- 20-002, 20-028	141,954	-
Presidential Residence Protection Security	97.134	None Provided	587,038	-
State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	97.137	None Provided	221,558 1,248,001	- -
<i>Total Department of Homeland Security</i>				
<i>Total Federal Awards</i>			\$ 59,602,284	\$ 6,961,713

(1) Pass-Through the State of Delaware.

(2) Pass-Through the City of Wilmington.

(3) Donated Federal Equipment - \$122,547

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NEW CASTLE COUNTY, DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes Federal grant activity of New Castle County, Delaware and is presented on the modified accrual basis of accounting. Matching funds are excluded from the schedule and the Program Income generated from Federal Grants is classified as Federal Expenditures when spent. The information on this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Account 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 for all awards, with the exception of Assistance Listing Number 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, 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.

NOTE 2 LOANS OUTSTANDING

New Castle County, Delaware administers low-income housing loan programs under the Community Development Block Grant, Home Investment Partnership Program, and Neighborhood Stabilization Program (NSP). The County had the following loan balances outstanding at June 30, 2024:

Program Title	Federal ALN Number	Amount Outstanding
Community Development Block Grants/Entitlement Grants	14.CDBG	\$ 9,669,366
Home Investment Partnerships Program	14.239	3,827,650
NSP Grants G40400099, G40400100, and G40400101	14.218, 14.256, 14.228	587,917
		\$ 14,084,933

NOTE 3 INDIRECT COSTS

The County did not elect to use the 10% De Minimis cost rate for indirect costs.

NOTE 4 RECLASSIFICATION OF PRIOR YEAR EXPENDITURE

Presidential Residence Protection Assist Grant (PRPA) (ALN 97.134)

The PRPA Grant program reimburses extraordinary law enforcement or other emergency personnel costs for protection activities directly and demonstrably associated with any residence of the President. For the year ended June 30, 2024, \$488,698 of the approved eligible expenditures were incurred in a prior year and are included on the Schedule.

NEW CASTLE COUNTY, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I – Summary of Independent Auditors’ Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to basic financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

<u>Assistance Listing</u>	<u>Number</u>	<u>Name of Federal Program or Cluster</u>
	14.CDBG	Community Development Block Grant/Entitlement Grants Cluster
	21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
	21.029	COVID-19 Coronavirus Capital Projects Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$1,788,069

Auditee qualify as low-risk auditee? _____ yes x no

NEW CASTLE COUNTY, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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