

# **COUNTY OF HENRICO, VIRGINIA**

## **COMPLIANCE REPORTS**

*As of and for the Year Ended June 30, 2021*

*And Reports of Independent Auditor*

**COUNTY OF HENRICO, VIRGINIA**

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**COMPLIANCE REPORTS**

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

To the Honorable Members of the Board of Supervisors  
County of Henrico, Virginia

We have audited, in accordance with the 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 *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Henrico, Virginia (the "County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 4, 2021. That report recognizes that the County restated certain fund balance and net position amounts due to the implementation of a new accounting standard and a change in reporting entity, effective July 1, 2020.

### **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. 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 may exist that have not been identified.

### **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 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.

A handwritten signature in blue ink that reads "Cheryl Behrnt CPA". The signature is written in a cursive style.

Richmond, Virginia  
November 4, 2021

## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

To the Honorable Members of the Board of Supervisors  
County of Henrico, Virginia

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

We have audited the County of Henrico, Virginia's (the "County") compliance with the types of compliance requirements described 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, 2021. 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.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### ***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 schedule of findings and questioned costs as finding 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could

have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 4, 2021, 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 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.

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.



Richmond, Virginia  
March 11, 2022

**Report of Independent Auditor on Compliance with  
Commonwealth of Virginia’s Laws, Regulations, Contracts, and Grants**

To the Honorable Members of the Board of Supervisors  
County of Henrico, Virginia

We have audited, 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 *Specifications for Audits of Counties, Cities, and Towns* (the “Specifications”) issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Henrico, Virginia (the “County”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated November 4, 2021.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County’s financial statements are free of material misstatement, we performed tests of the County’s compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The following is a summary of the Commonwealth of Virginia’s laws, regulations, contracts, and grants for which we performed tests of compliance:

<b>Code of Virginia</b>		<b>State Agency Requirements</b>
Budget and Appropriation Laws	Procurement	Education
Cash and Investments	Unclaimed Property	Children’s Services Act Funds
Conflicts of Interest	Property Taxes	Social Services
Intergovernmental Revenues	Debt Provisions	Highway Maintenance Funds
		Fire Programs Aid to Localities

The results of our tests disclosed an instance of noncompliance required to be reported in accordance with the Specifications as described in the accompanying schedule of findings and questioned costs as item 2021-002.

**County’s Response to Finding**

The County’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the 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 compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grants and the results of that testing, and not to provide an opinion on the County’s compliance. Accordingly, this communication is not suitable for any other purpose.



Richmond, Virginia  
March 11, 2022

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*YEAR ENDED JUNE 30, 2021*

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF EDUCATION:				
SCHOOL BREAKFAST PROGRAM	10.553	\$ 4,909,183	\$ -	\$ 4,909,183
NATIONAL SCHOOL LUNCH PROGRAM	10.555	9,448,662	-	9,448,662
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF EDUCATION		14,357,845	-	14,357,845
STATE DEPARTMENT OF SOCIAL SERVICES:				
STATE ADMIN MATCHING GRANT FOR THE SUPPLEMENTAL NUTRITION ASSIST PRGM	10.561	2,954,654	-	2,954,654
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF SOCIAL SERVICES		2,954,654	-	2,954,654
STATE DEPARTMENT OF JUVENILE JUSTICE:				
NATIONAL SCHOOL LUNCH PROGRAM	10.555	80,208	-	80,208
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF JUVENILE JUSTICE		80,208	-	80,208
NON-CASH AWARDS:				
STATE DEPARTMENT OF AGRICULTURE:				
NATIONAL SCHOOL LUNCH PROGRAM	10.555	984,428	-	984,428
SUBTOTAL NON-CASH AWARDS STATE DEPARTMENT OF AGRICULTURE		984,428	-	984,428
TOTAL NATIONAL SCHOOL LUNCH PROGRAM	10.555	10,513,298	-	10,513,298
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		<b>\$ 18,377,135</b>	<b>\$ -</b>	<b>\$ 18,377,135</b>



**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF EDUCATION:</b>				
DIRECT AWARDS:				
FEDERAL PELL GRANT PROGRAM	84.063	\$ 271,833	\$ -	\$ 271,833
TOTAL DIRECT AWARDS		<u>271,833</u>	<u>-</u>	<u>271,833</u>
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF EDUCATION:				
EDUCATIONAL CONSOLIDATION AND IMPROVEMENT ACT OF 1981:				
ADULT EDUCATION BASIC GRANTS TO STATES	84.002	268,493	-	268,493
TITLE I GRANTS TO LOCAL EDUCATION AGENCIES	* 84.010	11,718,506	-	11,718,506
TITLE I PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN	84.013	35,543	-	35,543
TOTAL EDUCATIONAL CONSOLIDATION AND IMPROVEMENT ACT OF 1981		<u>12,022,542</u>	<u>-</u>	<u>12,022,542</u>
TITLE VI:				
ASSISTANCE TO STATES FOR EDUCATION OF HANDICAPPED CHILDREN:				
SPECIAL EDUCATION GRANTS TO STATES	84.027	9,742,349	-	9,742,349
SPECIAL EDUCATION PRESCHOOL-GRANT	84.173	159,863	-	159,863
TOTAL TITLE VI CLUSTER		<u>9,902,212</u>	<u>-</u>	<u>9,902,212</u>
TITLE VI-B:				
VOCATIONAL EDUCATION:				
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	84.048	1,404,318	-	1,404,318
TOTAL VOCATIONAL EDUCATION		<u>1,404,318</u>	<u>-</u>	<u>1,404,318</u>
COVID-19 - ECONOMIC STABILIZATION FUND:				
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUND	* 84.425D	6,548,712	-	6,548,712
TOTAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT		<u>6,548,712</u>	<u>-</u>	<u>6,548,712</u>
SPECIAL PROJECTS:				
EDUCATION FOR HOMELESS CHILDREN AND YOUTH	84.196	90,518	-	90,518
EDUCATION RESEARCH, DEVELOPMENT AND DISSEMINATION	84.305	25,551	-	25,551
ENGLISH LANGUAGE ACQUISITION GRANTS	84.365	265,295	-	265,295
IMPROVING TEACHER QUALITY STATE GRANTS	84.367	1,345,945	-	1,345,945
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424	1,064,261	-	1,064,261
TOTAL SPECIAL PROJECTS		<u>2,791,570</u>	<u>-</u>	<u>2,791,570</u>
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF EDUCATION		<u>32,669,354</u>	<u>-</u>	<u>32,669,354</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<u>\$ 32,941,187</u>	<u>\$ -</u>	<u>\$ 32,941,187</u>

See Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
DIRECT AWARDS:				
ADMINISTRATION FOR CHILDREN, YOUTH & FAMILIES - HEAD START	93.600	\$ 1,782,676	\$ -	\$ 1,782,676
TOTAL DIRECT AWARDS		<u>1,782,676</u>	<u>-</u>	<u>1,782,676</u>
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION:				
SPECIAL EDUCATION GRANTS FOR INFANTS AND FAMILIES	84.181	356,179	-	356,179
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	93.243	64,902	-	64,902
OPIOID STATE TARGETED RESPONSE	93.788	405,000	-	405,000
BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958	979,880	-	979,880
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959	1,020,359	-	1,020,359
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION		<u>2,826,320</u>	<u>-</u>	<u>2,826,320</u>
STATE DEPARTMENT OF SOCIAL SERVICES:				
PROMOTING SAFE AND STABLE FAMILIES	93.556	130,775	-	130,775
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	1,632,266	-	1,632,266
REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED PROGRAMS	93.566	24,982	-	24,982
LOW-INCOME HOME ENERGY ASSISTANCE	93.568	204,721	-	204,721
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND	93.596	276,616	-	276,616
CHAFEE EDUCATION AND TRAINING VOUCHERS	93.599	23,763	-	23,763
ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PAYMENTS	93.603	2,942	-	2,942

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: (continued)</b>				
STATE DEPARTMENT OF SOCIAL SERVICES:				
FOSTER CARE-TITLE IV-E	93.658	\$ 1,527,144	\$ -	\$ 1,527,144
TOTAL FOSTER CARE		<u>1,527,144</u>	<u>-</u>	<u>1,527,144</u>
ADOPTION ASSISTANCE	93.659	1,098,459	-	1,098,459
TOTAL ADOPTION ASSISTANCE		<u>1,098,459</u>	<u>-</u>	<u>1,098,459</u>
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES	93.645	929	-	929
SOCIAL SERVICES BLOCK GRANT	93.667	1,204,600	-	1,204,600
CHAFFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	33,570	-	33,570
CHILDREN'S HEALTH INSURANCE PROGRAM	93.767	34,418	-	34,418
MEDICAL ASSISTANCE PROGRAM	93.778	2,364,911	-	2,364,911
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF SOCIAL SERVICES		<u>8,560,096</u>	<u>-</u>	<u>8,560,096</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<u>\$ 13,169,092</u>	<u>\$ -</u>	<u>\$ 13,169,092</u>
<b>DEPARTMENT OF HOMELAND SECURITY:</b>				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF EMERGENCY SERVICES:				
URBAN AREAS SECURITY INITIATIVE	97.008	\$ 21,223	\$ -	\$ 21,223
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	82,942	-	82,942
ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM	97.044	59,699	-	59,699
PORT SECURITY GRANT PROGRAM	97.056	19,612	-	19,612
HOMELAND SECURITY GRANT PROGRAM	97.067	2,782	-	2,782
SUBTOTAL STATE DEPARTMENT OF EMERGENCY SERVICES		<u>186,258</u>	<u>-</u>	<u>186,258</u>
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>		<u>\$ 186,258</u>	<u>\$ -</u>	<u>\$ 186,258</u>

See Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
DIRECT AWARDS:				
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	\$ 643,038	\$ 1,661,348	\$ 2,304,386
EMERGENCY SOLUTIONS GRANT	14.231	8,146	785,377	793,523
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	64,334	710,399	774,733
<b>TOTAL U.S OF HOUSING AND URBAN DEVELOPMENT</b>		<b>\$ 715,518</b>	<b>\$ 3,157,124</b>	<b>\$ 3,872,642</b>
<b>U.S. DEPARTMENT OF JUSTICE:</b>				
DIRECT AWARDS:				
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS GRANT (RSAT)	16.593	\$ 58,499	\$ -	\$ 58,499
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606	16,266	-	16,266
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	13,335	-	13,335
TOTAL DIRECT AWARDS		88,100	-	88,100
PASS THROUGH AWARDS:				
STATE DEPARTMENT OF CRIMINAL JUSTICE SERVICES:				
COVID-19 - CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING	16.034	99,695		99,695
CRIME VICTIM ASSISTANCE	16.575	505,616	-	505,616
SUBTOTAL STATE DEPARTMENT OF CRIMINAL JUSTICE SERVICES		605,311	-	605,311
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>		<b>\$ 693,411</b>	<b>\$ -</b>	<b>\$ 693,411</b>

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U. S. DEPARTMENT OF LABOR:</b>				
PASS THROUGH AWARDS:				
STATE COMMUNITY COLLEGE SYSTEM:				
WAGNER - PEYSER PROGRAM	17.207	\$ -	\$ 183,900	\$ 183,900
TOTAL WAGNER - PEYSER PROGRAM		-	183,900	183,900
WIOA ADULT PROGRAM	* 17.258	435,938	1,056,172	1,492,110
TOTAL WIOA ADULT PROGRAM		435,938	1,056,172	1,492,110
WIOA YOUTH ACTIVITIES	* 17.259	308,528	966,403	1,274,931
TOTAL WIOA YOUTH ACTIVITIES		308,528	966,403	1,274,931
WIOA DISLOCATED WORKERS	* 17.278	303,712	750,556	1,054,268
TOTAL WIOA DISLOCATED WORKERS PROGRAM		303,712	750,556	1,054,268
SUBTOTAL COMMUNITY COLLEGE SYSTEM		1,048,178	2,957,031	4,005,209
THE SKILLSOURCE GROUP, INC.:				
WORKFORCE INNOVATION FUND	17.283	-	9,172	9,172
TOTAL THE SKILLSOURCE GROUP, INC.		-	9,172	9,172
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>		<b>\$ 1,048,178</b>	<b>\$ 2,966,203</b>	<b>\$ 4,014,381</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF MOTOR VEHICLES:				
STATE AND COMMUNITY HIGHWAY SAFETY	20.600	\$ 268,580	\$ -	\$ 268,580
STATE DEPARTMENT OF TRANSPORTATION:				
HIGHWAY PLANNING AND CONSTRUCTION	* 20.205	3,599,989	-	3,599,989
SUBTOTAL STATE DEPARTMENT OF TRANSPORTATION		3,599,989	-	3,599,989
STATE DEPARTMENT OF CONSERVATION AND RECREATION:				
RECREATION TRAILS PROGRAM	* 20.219	514,049	-	514,049
SUBTOTAL STATE DEPARTMENT OF TRANSPORTATION		514,049	-	514,049
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>		<b>\$ 4,382,618</b>	<b>\$ -</b>	<b>\$ 4,382,618</b>

See Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF TREASURY:</b>				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF ACCOUNTS:				
CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT:				
COVID-19 - CORONAVIRUS RELIEF FUND	* 21.019	\$ 51,459,855	\$ -	\$ 51,459,855
SUBTOTAL STATE DEPARTMENT OF ACCOUNTS		51,459,855	-	51,459,855
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>		<b>\$ 51,459,855</b>	<b>\$ -</b>	<b>\$ 51,459,855</b>
<b>TOTAL FEDERAL EXPENDITURES</b>		<b>\$ 122,973,252</b>	<b>\$ 6,123,327</b>	<b>\$ 129,096,579</b>

NOTES:

\* DENOTES MAJOR FEDERAL PROGRAM

(A) BASIS OF ACCOUNTING - THE SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE IS PREPARED ON THE MODIFIED ACCRUAL BASIS. EXPENDITURES ARE RECOGNIZED WHEN THEY BECOME A DEMAND ON CURRENT AVAILABLE FINANCIAL RESOURCES. CERTAIN FEDERAL FINANCIAL ASSISTANCE PROGRAMS ARE IN THE FORM OF NONCASH AWARDS. (SEE NOTE D). FEDERAL FINANCIAL ASSISTANCE PROVIDED TO SUBRECIPIENT IS TREATED AS AN EXPENDITURE WHEN IT IS PAID TO THE SUBRECIPIENT.

(B) REPORTING ENTITY - THE COUNTY OF HENRICO, VIRGINIA, FOR PURPOSE OF THE SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE INCLUDES ALL THE FUNDS OF THE PRIMARY GOVERNMENT AS DEFINED BY GAAP. THE COUNTY OF HENRICO, VIRGINIA ADMINISTERS CERTAIN FEDERAL FINANCIAL ASSISTANCE PROGRAMS THROUGH SUBRECIPIENTS. THOSE SUBRECIPIENTS ARE ALSO NOT CONSIDERED PART OF THE COUNTY OF HENRICO, VIRGINIA, REPORTING ENTITY.

(C) PASS-THROUGH AWARDS - THE COUNTY OF HENRICO, VIRGINIA, RECEIVES CERTAIN FEDERAL FINANCIAL ASSISTANCE FROM PASS-THROUGH AWARDS OF THE COMMONWEALTH OF VIRGINIA. THE AMOUNTS RECEIVED ARE SEPERATELY IDENTIFIED.

(D) NONCASH AWARDS - CERTAIN FEDERAL FINANCIAL ASSISTANCE PROGRAMS DO NOT INVOLVE CASH AWARDS TO THE COUNTY OF HENRICO, VIRGINIA. THESE PROGRAMS ARE DONATED COMMODITIES AS FOLLOWS:

U. S. DEPARTMENT OF AGRICULTURE:

DONATED COMMODITIES ALN 10.555

VALUE OF COMMODITIES ISSUED \$4,602

VALUE OF COMMODITIES ON HAND \$1,586

DONATED COMMODITIES ALN 10.555

VALUE OF COMMODITIES ISSUED \$1,378,385

VALUE OF COMMODITIES ON HAND \$266,818

(E) TOTALS BY CLUSTERS:

CHILD NUTRITION CLUSTER (ALN 10.553, 10.555)

\$ 15,422,481

WIOA CLUSTER (ALN 17.258, 17.259, 17.278)

3,821,309

SPECIAL EDUCATION CLUSTER (ALN 84.027, 84.173)

9,902,212

HIGHWAY PLANNING AND CONSTRUCTION CLUSTER (ALN 20.205, 20.219)

4,114,038

(F) THE COUNTY DID NOT ELECT TO USE THE 10% DE MINIMUS COST RATE.

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2021

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**A. Section I – Summary of Auditor’s Results**

1. The type of report issued on the basic financial statements: **Unmodified opinion**
2. Significant deficiencies in internal control disclosed by the audit of the financial statements: **None reported**
3. Material weaknesses in internal control disclosed by the audit of the financial statements: **No**
4. Noncompliance, which is material to the financial statements: **No**
5. Significant deficiencies in internal control over major programs: **None reported**
6. Material weaknesses in internal control over major programs: **Yes, 2021-001**
7. The type of report issued on compliance for major programs: **Unmodified opinion**
8. Any audit findings which are required to be reported under the Uniform Guidance: **Yes, 2021-001**
9. The programs tested as major programs were:

<u>AL Number</u>	<u>Name of Federal Program and Cluster</u>
21.019	COVID-19 - Coronavirus Relief Fund
17.258 - CL	Workforce Innovation Fund (WIOA) Cluster
84.425D	COVID-19 - Education Stabilization Fund – Elementary and Secondary Education Emergency Relief (ESSER) Fund
20.205 - CL	Highway Planning and Construction Cluster
84.010	Title 1 Education

10. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
11. County of Henrico qualifies as a low-risk auditee under Section 530 of Uniform Guidance

**B. Section II – Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards**

None reported.

**C. Section III – Findings and Questioned Costs Relating to Federal Awards**

**2021-001** – Material Weakness and Nonmaterial Noncompliance – Allowable Costs

**Program:** Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER) Fund (ALN 84.425D) – United States Department of Education – Virginia Department of Education; Grant Award Number: S425D200008; Federal Award Year: 2020)

**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED JUNE 30, 2021

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**Criteria:** Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subtitle A, Chapter II, Part 200, Subpart E – Cost Principles subsection 200.430 – Compensation – Personal Services subsection (i) – *Standards for Documentation of Personnel Expenses* subsection (1) states:

“Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
- (iv) Encompass federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and
- (vi) [Reserved]
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two (2) or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.”

**Condition:** For a sample of twenty-five (25) payroll and twenty-five (25) non-payroll transactions, we noted:

- Five (5) instances where neither the employee nor their supervisor certified the employee's timesheet.
- Four (4) instances where an employee certified their timesheet, but their supervisor did not.
- One (1) instance where an employee did not certify their timesheet, but their supervisor did.

**Cause:** Employees and supervisors did not adhere to County time certification policies and procedures.

**Effect:** Noncompliance may result in action by the Commonwealth of Virginia and/or the Federal Government.

**Questioned Costs:** \$4,925 from a sample of both personnel and non-personnel costs totaling \$138,050.

**Recommendation:** Hourly employees and those charging time to a grant should approve timesheets prior to payroll certification and processing.

**Views of Responsible Officials and Planned Corrective Action:** Management concurs with the recommendation. The noted lack of time certifications was not consistent with policy, primarily occurring with temporary staff positions that were of a one-time nature established during School Year 2020-2021 and during the first year of the pandemic. Payroll staff will reinforce the importance of timesheet approvals by temporary employees and their supervisors prior to semi-monthly processing.



**COUNTY OF HENRICO, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

*YEAR ENDED JUNE 30, 2021*

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**D. Section IV – Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Regulations, Contracts and Grants**

**2021-002 – Conflict of Interest – Nonmaterial Noncompliance**

**Criteria:** Section 2.2-3115 of the Code of Virginia (the “Code”) requires members of local boards, commissions, and councils, and employees meeting defined criteria to, upon assuming office and annually thereafter, file financial disclosure documents. In accordance with the requirements set forth in Section 2.2-3118.2 of the Code, such disclosure shall be filed as a condition prior to assuming office or employment and, thereafter, shall be filed annually with the clerk of the governing body of such entity on or before February 1.

**Condition:** Of the forty (40) officials and employees who filed a completed Disclosure Report, we noted two (2) officials who took office during the fiscal year ended June 30, 2021 but did not complete the Disclosure Report before taking office.

**Cause:** Unknown.

**Effect:** The County is not in compliance with Section 2.2-3115 of the Code and noncompliance may result in action by the Commonwealth.

**Questioned Cost:** Non-financial.

**Recommendation:** Local government officials and employees should file the Disclosure Report in accordance with Section 2.2-3118.2 of the Code.

**Views of Responsible Officials and Planned Corrective Actions:** The County is committed to obtaining and filing timely and accurate disclosure forms. Officials receive multiple notifications of the annual filing deadline, however, vacancies in key positions may be filled after the annual filing deadline has passed. The County has implemented stronger position controls by adding the filing requirement to the position classification document. This document is used when filling the position and will ensure filing deadlines are met when officials assume office or employment. These same controls have already been in place for other positions that fall under these requirements. The County will proactively continue to monitor and comply with the deadlines and requirements stipulated in the Code of Virginia.

**E. Section V – Status of Prior Year Findings**

**2020-001 – Social Services Information Security Controls – Acceptable Use Policy – Finding not repeated.**