

COUNTY OF HENRICO, VIRGINIA

COMPLIANCE REPORTS

As of and for the Year Ended June 30, 2023

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, 2023, 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 27, 2023.

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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

Cherry Bekaert LLP

Richmond, Virginia
November 27, 2023

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

Opinion on Each Major Program

We have audited the County of Henrico, Virginia'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, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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 *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 generally accepted auditing standards, *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 *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.

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, 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 27, 2023, which contained unmodified opinions on those financial statements. Our audit was performed 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.

Cherry Bekaert LLP

Richmond, Virginia
November 27, 2023

**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, 2023, 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 27, 2023.

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:

<u>Code of Virginia</u>		<u>State Agency Requirements</u>
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

The results of our tests disclosed instances of noncompliance required to be reported in accordance with the Specifications as described in the accompanying schedule of findings and questioned costs as items 2023-001 through 2023-004.

County’s Responses to Findings

The County’s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of 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.

Cherry Bekaert LLP

Richmond, Virginia
November 27, 2023

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE		AMOUNTS	
GRANT PROGRAM/GRANT NUMBER	LISTING	FEDERAL	PASSED-THROUGH	TOTAL FEDERAL
	NUMBER	EXPENDITURES	TO SUBRECIPIENTS	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE:				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF EDUCATION:				
SCHOOL BREAKFAST PROGRAM	10.553	\$ 4,321,049	\$ -	\$ 4,321,049
NATIONAL SCHOOL LUNCH PROGRAM	10.555	<u>14,722,252</u>	<u>-</u>	<u>14,722,252</u>
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF EDUCATION		<u>\$ 19,043,301</u>	<u>\$ -</u>	<u>\$ 19,043,301</u>
STATE DEPARTMENT OF SOCIAL SERVICES:				
STATE ADMIN MATCHING GRANT FOR THE SUPPLEMENTAL NUTRITION ASSIST PRGM	* 10.561	<u>\$ 3,654,006</u>	<u>\$ -</u>	<u>\$ 3,654,006</u>
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF SOCIAL SERVICES		<u>\$ 3,654,006</u>	<u>\$ -</u>	<u>\$ 3,654,006</u>
STATE DEPARTMENT OF JUVENILE JUSTICE:				
NATIONAL SCHOOL LUNCH PROGRAM	10.555	<u>\$ 132,529</u>	<u>\$ -</u>	<u>\$ 132,529</u>
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF JUVENILE JUSTICE		<u>\$ 132,529</u>	<u>\$ -</u>	<u>\$ 132,529</u>

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

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
GRANT PROGRAM/GRANT NUMBER				
NON-CASH AWARDS:				
STATE DEPARTMENT OF AGRICULTURE:				
NATIONAL SCHOOL LUNCH PROGRAM	10.555	\$ 1,970,265	\$ -	\$ 1,970,265
SUBTOTAL NON-CASH AWARDS STATE DEPARTMENT OF AGRICULTURE		<u>\$ 1,970,265</u>	<u>\$ -</u>	<u>\$ 1,970,265</u>
TOTAL NATIONAL SCHOOL LUNCH PROGRAM	10.555	<u>\$ 16,825,046</u>	<u>\$ -</u>	<u>\$ 16,825,046</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 24,800,101</u>	<u>\$ -</u>	<u>\$ 24,800,101</u>
U.S. DEPARTMENT OF EDUCATION:				
DIRECT AWARDS:				
FEDERAL PELL GRANT PROGRAM	84.063	\$ 323,885	\$ -	\$ 323,885
TOTAL DIRECT AWARDS		<u>\$ 323,885</u>	<u>\$ -</u>	<u>\$ 323,885</u>
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF EDUCATION:				
EDUCATIONAL CONSOLIDATION AND IMPROVEMENT ACT OF 1981:				
ADULT EDUCATION BASIC GRANTS TO STATES	84.002	\$ 3,422	\$ -	\$ 3,422
TITLE I GRANTS TO LOCAL EDUCATION AGENCIES	* 84.010	12,554,848	-	12,554,848
TITLE I PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN	84.013	106,588	-	106,588
TOTAL EDUCATIONAL CONSOLIDATION AND IMPROVEMENT ACT OF 1981		<u>\$ 12,664,858</u>	<u>\$ -</u>	<u>\$ 12,664,858</u>

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

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE		AMOUNTS	
GRANT PROGRAM/GRANT NUMBER	LISTING	FEDERAL	PASSED-THROUGH	TOTAL FEDERAL
	NUMBER	EXPENDITURES	TO SUBRECIPIENTS	EXPENDITURES
TITLE VI:				
ASSISTANCE TO STATES FOR EDUCATION OF				
HANDICAPPED CHILDREN:				
SPECIAL EDUCATION GRANTS TO STATES	*	84.027	\$ 9,037,435	\$ -
INDIVIDUALS WITH DISABILITIES EDUCATION (ARP)	*	84.027X	1,760,066	-
SPECIAL EDUCATION PRESCHOOL-GRANT	*	84.173	135,019	-
TOTAL TITLE VI		<u>\$ 10,932,520</u>	<u>\$ -</u>	<u>\$ 10,932,520</u>
TITLE VI-B:				
VOCATIONAL EDUCATION:				
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES		84.048	\$ 1,484,743	\$ -
TOTAL VOCATIONAL EDUCATION		<u>\$ 1,484,743</u>	<u>\$ -</u>	<u>\$ 1,484,743</u>
EDUCATION STABILIZATION FUND:				
EDUCATION STABILIZATION FUND	*	84.425	\$ 32,403	\$ -
GOVERNOR'S EMERGENCY EDUCATION RELIEF (GEER) FUND	*	84.425C	59,347	-
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUND	*	84.425D	10,721,727	-
AMERICAN RESCUE PLAN - ELEMENTARY AND SECONDARY SCHOOL				10,721,727
EMERGENCY RELIEF (ARP-ESSER)	*	84.425U	8,276,589	-
TOTAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT		<u>\$ 19,090,066</u>	<u>\$ -</u>	<u>\$ 19,090,066</u>
SPECIAL PROJECTS:				
EDUCATION FOR HOMELESS CHILDREN AND YOUTH		84.196	255,980	-
ENGLISH LANGUAGE ACQUISITION GRANTS		84.365	374,248	-
IMPROVING TEACHER QUALITY STATE GRANTS		84.367	1,822,043	-
SCHOOL IMPROVEMENT GRANTS		84.377	156,232	-
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM		84.424	634,495	-
TOTAL SPECIAL PROJECTS		<u>3,242,998</u>	<u>-</u>	<u>3,242,998</u>
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF EDUCATION		<u>47,415,185</u>	<u>-</u>	<u>47,415,185</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$ 47,739,070</u>	<u>\$ -</u>	<u>\$ 47,739,070</u>

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

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
GRANT PROGRAM/GRANT NUMBER				
U.S. DEPARTMENT OF ENERGY				
FEDERAL COMMUNICATIONS COMMISSION:				
ENERGY CONNECTIVITY FUNDS	32.009	\$ 2,679,020	\$ -	\$ 2,679,020
TOTAL U.S. DEPARTMENT OF ENERGY		<u>\$ 2,679,020</u>	<u>\$ -</u>	<u>\$ 2,679,020</u>
U.S. DEPARTMENT OF FOUNDATION ON THE ARTS AND HUMANITIES:				
DIRECT AWARDS:				
VIRGINIA COMMISSION FOR THE ARTS:				
PROMOTION OF THE HUMANITIES CHALLENGE GRANTS	45.130	\$ 9,000	\$ -	\$ 9,000
GRANTS TO STATES	45.310	<u>18,626</u>	<u>-</u>	<u>18,626</u>
TOTAL U.S. DEPARTMENT OF FOUNDATION ON THE ARTS AND HUMANITIES		<u>\$ 27,626</u>	<u>\$ -</u>	<u>\$ 27,626</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
DIRECT AWARDS:				
ADMINISTRATION FOR CHILDREN, YOUTH & FAMILIES - HEAD START	93.600	\$ 1,438,489	\$ -	\$ 1,438,489
TOTAL DIRECT AWARDS		<u>\$ 1,438,489</u>	<u>\$ -</u>	<u>\$ 1,438,489</u>

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

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE		AMOUNTS	
GRANT PROGRAM/GRANT NUMBER	LISTING	FEDERAL	PASSED-THROUGH	TOTAL FEDERAL
	NUMBER	EXPENDITURES	TO SUBRECIPIENTS	EXPENDITURES
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION:				
SPECIAL EDUCATION GRANTS FOR INFANTS AND FAMILIES	84.181	\$ 315,818	\$ -	\$ 315,818
OPIOID STATE TARGETED RESPONSE	93.788	248,787	-	248,787
BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958	641,735	-	641,735
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959	918,846	-	918,846
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION		<u>\$ 2,125,186</u>	<u>\$ -</u>	<u>\$ 2,125,186</u>
STATE DEPARTMENT OF SOCIAL SERVICES:				
PASS-THROUGH AWARDS:				
GUARDIANSHIP ASSISTANCE	93.090	\$ 59,368	\$ -	\$ 59,368
TITLE IV-E PREVENTION PROGRAM	93.472	31,118	-	31,118
PROMOTING SAFE AND STABLE FAMILIES	93.556	125,257	-	125,257
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	2,011,342	-	2,011,342
REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED PROGRAMS	93.566	57,929	-	57,929
LOW-INCOME HOME ENERGY ASSISTANCE	93.568	267,572	-	267,572
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOP FUND	93.596	322,566	-	322,566
CHAFEE EDUCATION AND TRAINING VOUCHERS	93.599	13,576	-	13,576
ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PAYMENTS	93.603	4,700	-	4,700
FOSTER CARE-TITLE IV-E	93.658	1,451,657	-	1,451,657
TOTAL FOSTER CARE		<u>\$ 1,451,657</u>	<u>\$ -</u>	<u>\$ 1,451,657</u>
ADOPTION ASSISTANCE	93.659	1,418,097	-	1,418,097
TOTAL ADOPTION ASSISTANCE		<u>\$ 1,418,097</u>	<u>\$ -</u>	<u>\$ 1,418,097</u>

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

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE		AMOUNTS	
GRANT PROGRAM/GRANT NUMBER	LISTING	FEDERAL	PASSED-THROUGH	TOTAL FEDERAL
	NUMBER	EXPENDITURES	TO SUBRECIPIENTS	EXPENDITURES
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES	93.645	\$ 2,508	\$ -	\$ 2,508
SOCIAL SERVICES BLOCK GRANT	93.667	1,398,754	-	1,398,754
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	27,897	-	27,897
CHILDREN'S HEALTH INSURANCE PROGRAM	93.767	23,727	-	23,727
MEDICAL ASSISTANCE PROGRAM	93.778	2,070,409	-	2,070,409
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF SOCIAL SERVICES		<u>\$ 9,286,477</u>	<u>\$ -</u>	<u>\$ 9,286,477</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>\$ 12,850,152</u>	<u>\$ -</u>	<u>\$ 12,850,152</u>
DEPARTMENT OF HOMELAND SECURITY:				
PASS THROUGH AWARDS:				
STATE DEPARTMENT OF EMERGENCY SERVICES:				
DISASTER GRANTS - PUBLIC ASSISTANCE	* 97.036	\$ 4,550,490	\$ -	\$ 4,550,490
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	70,369	-	70,369
HOMELAND SECURITY GRANT PROGRAM	97.067	245,905	-	245,905
SUBTOTAL STATE DEPARTMENT OF EMERGENCY SERVICES		<u>\$ 4,866,764</u>	<u>\$ -</u>	<u>\$ 4,866,764</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY		<u>\$ 4,866,764</u>	<u>\$ -</u>	<u>\$ 4,866,764</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
DIRECT AWARDS:				
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	\$ 650,520	\$ 1,821,489	\$ 2,472,009
EMERGENCY SOLUTIONS GRANT	14.231	32,334	336,968	369,302
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	129,174	523,610	652,784
TOTAL U.S OF HOUSING AND URBAN DEVELOPMENT		<u>\$ 812,028</u>	<u>\$ 2,682,067</u>	<u>\$ 3,494,095</u>

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

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE LISTING NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
GRANT PROGRAM/GRANT NUMBER				
DIRECT AWARDS:				
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS GRANT (RSAT)	16.593	\$ 71,739	\$ -	\$ 71,739
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606	37,489		37,489
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	62,659	-	62,659
TOTAL DIRECT AWARDS		<u>\$ 171,887</u>	<u>\$ -</u>	<u>\$ 171,887</u>
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF CRIMINAL JUSTICE SERVICES:				
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING	16.034	\$ 133,628	\$ -	\$ 133,628
JUVENILE JUSTICE AND DELINQUENCY PREVENTION TITLE II GRANT	16.540	1,946	-	1,946
CRIME VICTIM ASSISTANCE	16.575	547,586	-	547,586
SUBTOTAL STATE DEPARTMENT OF CRIMINAL JUSTICE SERVICES		<u>683,160</u>	<u>-</u>	<u>683,160</u>
TOTAL U.S. DEPARTMENT OF JUSTICE		<u>\$ 855,047</u>	<u>\$ -</u>	<u>\$ 855,047</u>

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)

YEAR ENDED JUNE 30, 2023

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY	ASSISTANCE		AMOUNTS	
GRANT PROGRAM/GRANT NUMBER	LISTING	FEDERAL	PASSED-THROUGH	TOTAL FEDERAL
	NUMBER	EXPENDITURES	TO SUBRECIPIENTS	EXPENDITURES
U. S. DEPARTMENT OF LABOR:				
PASS-THROUGH AWARDS:				
WIA ADULT PROGRAM	17.258	\$ 775,403	\$ 1,555,700	\$ 2,331,103
WIA YOUTH ACTIVITIES	17.259	375,077	1,599,822	1,974,899
WIA DISLOCATED WORKERS	17.278	<u>130,996</u>	<u>1,453,528</u>	<u>1,584,524</u>
SUBTOTAL COMMUNITY COLLEGE SYSTEM		\$ 1,281,476	\$ 4,609,050	\$ 5,890,526
TOTAL U.S. DEPARTMENT OF LABOR		<u>\$ 1,281,476</u>	<u>\$ 4,609,050</u>	<u>\$ 5,890,526</u>
U.S. DEPARTMENT OF TRANSPORTATION:				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF MOTOR VEHICLES:				
STATE AND COMMUNITY HIGHWAY SAFETY	20.600	\$ 398,757	\$ -	\$ 398,757
STATE DEPARTMENT OF TRANSPORTATION:				
HIGHWAY PLANNING AND CONSTRUCTION	20.205	<u>5,973,045</u>	<u>-</u>	<u>5,973,045</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>\$ 6,371,802</u>	<u>\$ -</u>	<u>\$ 6,371,802</u>
U.S. DEPARTMENT OF TREASURY:				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF ACCOUNTS:				
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	* 21.027	\$ 9,717,324	\$ -	\$ 9,717,324
SUBTOTAL STATE DEPARTMENT OF ACCOUNTS		<u>9,717,324</u>	<u>-</u>	<u>9,717,324</u>
TOTAL U.S. DEPARTMENT OF TREASURY		<u>\$ 9,717,324</u>	<u>\$ -</u>	<u>\$ 9,717,324</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 112,000,410</u>	<u>\$ 7,291,117</u>	<u>\$ 119,291,527</u>
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 AND FOOD STAMPS AS FOLLOWS:				
U. S. DEPARTMENT OF AGRICULTURE:				
DONATED COMMODITIES CFDA # 10.555				
VALUE OF COMMODITIES ISSUED \$ 1,964,542				
VALUE OF COMMODITIES ON HAND \$ 153,913				
DONATED COMMODITIES CFDA # 10.555				
VALUE OF COMMODITIES ISSUED \$ 5,723				
VALUE OF COMMODITIES ON HAND \$ 0				
Totals by Clusters:				
Child Nutrition Cluster (CFDA 10.553, 10.555)		\$ 21,146,095		
WIA Cluster (CFDA 17.258, 17.259, 17.278)		5,890,526		
Special Education Cluster (CFDA 84.027, 84.173)		10,932,520		

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

A. 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 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: **No**
7. The type of report issued on compliance for major programs: **Unmodified**
8. Any audit findings which are required to be reported in accordance with 200.516(a) of the Uniform Guidance: **No**
9. The programs tested as major programs were:

<u>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
84.425, 84.425 (C), 84.425 (D), 84.425 (U)	Elementary and Secondary School Emergency Relief Fund
97.036	FEMA Disaster Grants-Public Assistance
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.027/84.027X/84.173 Cluster	Individuals with Disabilities Education Act
84.010	Title 1 Grant
10.561	Supplemental Nutrition Assistance Program (SNAP)

10. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
11. County of Henrico qualified as a low-risk auditee under in accordance with 200.516(a) of the Uniform Guidance: **No**

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

None reported.

C. Findings and Questioned Costs Relating to Federal Awards

None reported.

D. Findings and Questioned Costs Related to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants

2023-001 – Conflict of Interest - County (Repeat Area of Non-compliance – See Finding 2022-003)

Criteria: Section 2.2-3115 of the Code of Virginia (“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 county on or before February 1.

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

YEAR ENDED JUNE 30, 2023

Condition: Of the sixty-three (63) officials and employees who filed a completed Disclosure Report, we noted:

- Five (5) County officials who filed a SOEI form did not complete the form;
- One (2) County personnel who filed a DREH form did not complete the form.

Cause: Compliant forms were not filed in accordance with the Code.

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

Questioned Cost: Non-financial.

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

Views of Responsible Officials and Planned Corrective Actions: The State and Local Conflict of Interests Act (Section 2.2-3100, et seq., of the Code of Virginia) requires certain County officials to file periodic disclosure forms with the Clerk of the Board of Supervisors. It is the responsibility of the individuals filing the disclosures to ensure that they are filed in the appropriate place, at the appropriate time, and in the appropriate form. The Clerk's responsibility is to receive the disclosure forms and maintain them as public records for five years. The Clerk has taken on the additional responsibility of reviewing the disclosure forms for completeness - within limits. For instance, the Clerk cannot ensure the accuracy of the forms or whether all relevant disclosures have been made by the disclosing official.

This year, the external audit revealed that several individuals who filed timely disclosures with the Clerk neglected to check one or more boxes requiring a response from the individual or omitted a response about the individual's "Title or Position Held."

For the most common error (i.e., not checking a box on Schedule E), staff discovered that the fillable PDF form used to make the disclosure does not allow the user to check a box. Staff has alerted the state agency responsible for generating the form of the error and requested it be remedied.

The County remains committed to reviewing forms as they are received to allow individuals to correct apparent omissions. Additional staff have been added to the review process. The County's Freedom of Information Officer will aid in the review of disclosure forms for apparent omissions. The County expects this additional review will help catch inadvertent omissions early in the filing process.

Finally, in circulating disclosure forms to officials, the Clerk will reemphasize the need to complete all aspects of the forms that apply to local officials, including checking the appropriate box even if the corresponding table will be left blank.

2023-002 – Virginia Initiative for Education and Work (“VIEW”) Program – County

Criteria: Section 63.2 of the Code of Virginia (“Code”) oversees the operation of social service programs administered at the local level. Eligibility is determined at the local level using guidelines and procedures set forth in the Virginia Department of Social Services (“VDSS”) guides. Guideline 51 of the VIEW Program Spending Funds Guide for local departments of social services states that VIEW funds cannot be used for clients that are in an inactive status.

Condition: Of the twenty-five (25) expenditures, we noted one (1) instance where VIEW funds were used for an inactive participant.

Cause: Documentation was not adequately maintained and reviewed before authorizing payment.

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

YEAR ENDED JUNE 30, 2023

Effect: The County is not in compliance with Section 63.2 of the Code and non-compliance may result in action by the Commonwealth.

Recommendation: Local government officials and employees should review participant status before authorizing payment.

Views of Responsible Officials and Planned Corrective Actions: The VIEW Supervisor is now reviewing all funding requests for the following details: the client is enrolled in the VIEW program and the client has an active Activity and Service Plan during the time that purchased services are provided.

The VIEW Supervisor spoke with the regional TANF/VIEW consultant on November 2, 2023. During the conversation, the regional specialist stated that clients could be assigned to English classes as their VIEW activity. English classes are considered a “non-core activity” and policy states that clients need to be assigned to a “core activity” as well; however, an exception can be made for newcomers since it is difficult for them to participate in core activities such as job searching when language is a barrier. Had this client been assigned to the English classes, the payment would not have been an issue.

Once the error was found, the financial team reimbursed the VIEW funds and paid for this service with local emergency needs funding.

2023-003 – Highway Maintenance Funds – County

Criteria: Section 33.2-319 of the Code of Virginia (“Code”) and the Urban Construction and Maintenance Program (“Urban Manual”) require local governments that receive street maintenance funds to submit an annual Weldon Cooper Center Local Finance Survey to the Weldon Cooper Center by the requested date. Payments and expenditures claimed on the annual report must reconcile to the local government’s accounting system and must be supported by detailed documentation.

Condition: The Motor vehicle license taxes, or the “decal tax”, erroneously omitted a digit and misstated the balance by \$6,701,000 on the form and submitted to the Weldon Cooper Center.

Cause: The Weldon Cooper Center Local Finance Survey was not properly reviewed before submission.

Effect: The County is not in compliance with Section 33.2-319 of the Code and non-compliance may result in action by the Commonwealth.

Questioned Cost: Non-financial.

Recommendation: Local government officials and employees should thoroughly review the form before submission occurs.

Views of Responsible Officials and Planned Corrective Actions: The staff member responsible for reporting general revenues on the Weldon Cooper Center Local Finance Survey was on leave during the preparation of the FY22 report. As such, the report was completed by her supervisor, who typically reviews the report prior to submission. A typographical error was made in the report, resulting in the misstated balance, and not caught on self-review. In the future, a second person will review the report and tie it to audited financial statements prior to submission.

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

YEAR ENDED JUNE 30, 2023

2023-004 – Children’s Services Act (“CSA”) Funds – County

Criteria: Section 2.2-5211 of the Code of Virginia (“Code”), pool funds may only be used for services for specific eligible children and their families. Administrative costs, interagency coordinators, and services billable to other funding sources are not allowable.

Condition: Of the twenty-five disbursements, we noted two (2) instances of payment for unauthorized services as determined by the Individualized Education Plan (“IEP”).

Cause: Changes to the IEP were not reviewed and implemented in a timely manner.

Effect: The County is not in compliance with Section 2.2-5211 of the Code and non-compliance may result in action by the Commonwealth.

Questioned Cost: \$895 known questioned costs from a sample of expenditures of \$117,081 and a population approximating \$16,540,432.

Recommendation: Local government officials and employees should timely review the updated IEP and update their procedures according to adjusted requirements.

Views of Responsible Officials and Planned Corrective Actions: The County is committed to reviewing the eligibility for student payments through the Children’s Service Act in accordance with local and state requirements. County school officials will review findings with the school’s Children’s Services Act team. More oversight will be provided by the team to review the submission of individualized educational program documentation and financial purchase orders to ensure purchased services are aligned with IEP services. When IEP teams submit new annual IEPs or addendums for student services, we have identified a person to review the old and new documents to complete a service comparison. If student services have been changed, this person will initiate the termination of the existing purchase order, in order to create new purchase order and EAF for the newly consented to services. Purchase orders and EAFs will not be generated when there is a discrepancy until the change has been confirmed or amended by the school-based IEP team.

E. Status of Prior Year Findings

2022-001 – Material Weakness and Compliance Qualification – Allowable Costs – Education Stabilization Fund – Elementary and Secondary School Emergency Relief (“ESSER”) Fund (ALN 84.425D and 84.425U) – Finding not repeated.

2022-002 – Material Weakness and Nonmaterial Noncompliance – Allowable Costs – Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”) (ALN 21.027) – Finding not repeated.

2022-003 – Conflict of Interest – Nonmaterial Noncompliance – Finding repeated – See 2023-001.