

**ALEXANDRIA RENEW ENTERPRISES**

**Alexandria, Virginia**

**SINGLE AUDIT REPORTING PACKAGE**

**June 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Alexandria Renew Enterprises  
Alexandria, Virginia

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 business-type activities and fiduciary activity of Alexandria Renew Enterprises as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Alexandria Renew Enterprises' basic financial statements, and have issued our report thereon dated October 17, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Alexandria Renew Enterprises' internal control over financial reporting (internal control) to determine the 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 Alexandria Renew Enterprises' internal control. Accordingly, we do not express an opinion on the effectiveness of Alexandria Renew Enterprises' 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.

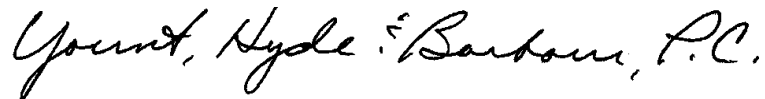
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Alexandria Renew Enterprises' 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 determination of financial statement amounts. 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 black ink that reads "Yount, Hyde & Barbour, P.C." The signature is written in a cursive, flowing style.

Winchester, Virginia  
October 17, 2022



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

To the Board of Directors  
Alexandria Renew Enterprises  
Alexandria Virginia

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

*Opinion on Each Major Federal Program*

We have audited Alexandria Renew Enterprises' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Alexandria Renew Enterprises' major federal programs for the year ended June 30, 2022. Alexandria Renew Enterprises' 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, Alexandria Renew Enterprises 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, 2022.

*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 (*Government Auditing Standards*); 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 Compliance section of our report.

We are required to be independent of Alexandria Renew Enterprises and to meet our 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 Alexandria Sanitation Enterprises' 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, and rules and provisions of contracts or grant agreements applicable to Alexandria Renew Enterprises' 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 Alexandria Renew Enterprises' 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 Alexandria Renew Enterprises' 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 Alexandria Renew Enterprises' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Alexandria Renew Enterprises' 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 Alexandria Renew Enterprises' 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.

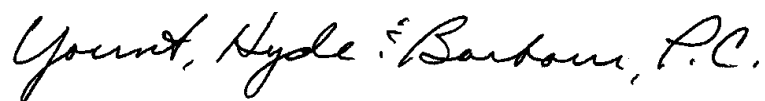
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 business-type activities and fiduciary activity of Alexandria Renew Enterprises as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Alexandria Renew Enterprise's basic financial statements. We issued our report thereon dated October 17, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting or 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Winchester, Virginia  
October 17, 2022

**ALEXANDRIA RENEW ENTERPRISES**

**Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number(s)</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>Passed through City of Alexandria, Virginia</b>				
U.S. Department of Treasury: COVID-19: Coronavirus Relief Fund	21.019	n/a	n/a	\$ 150,118
U.S. Department of Treasury: COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	n/a	125,882
<b>Passed through Virginia Resources Authority</b>				
U.S. Department of Environmental Protection Agency: Capitalization Grant for Clean Water State Revolving Funds	66.458	CS-51001-19	n/a	<u>845,278</u>
Total Expenditures of Federal Awards				<u>\$ 1,121,278</u>

The accompanying notes are an integral part of this schedule.



## ALEXANDRIA RENEW ENTERPRISES

### Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

#### Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Alexandria Renew Enterprises under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Alexandria Renew Enterprises, it is not intended to and does not present the financial position, changes in net position or cash flows of Alexandria Renew Enterprises.

#### Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

#### Note 3. Virginia Water Facilities Revolving Fund

For the Virginia Water Facilities Revolving fund loan listed in the Schedule of Expenditures of Federal Awards, the Authority had the following loan balance outstanding at June 30, 2022:

<u>Federal Assistance Listing Number</u>	<u>Grant Number</u>	<u>Loan Number</u>	<u>Balance Outstanding</u>
66.458	CS-510001-19	C-515652E-01	\$ 4,881,504

#### Note 4. Indirect Cost Rate

Alexandria Renew Enterprises does not have a negotiated indirect cost rate. Entities that do not have a negotiated rate can elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Alexandria Renew Enterprises is not using the 10 percent de minimis indirect cost rate. The contract awards specify the maximum amount of indirect costs that are allowed to be reimbursed under each program.

# ALEXANDRIA RENEW ENTERPRISES

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2022

### I. Section I - Summary of Auditor's Results

#### *Financial Statements*

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

Internal control over financial reporting:

- Material weakness(es) identified? No.
- Significant deficiency(ies) identified? None Reported.

Noncompliance material to financial statements noted? No.

#### *Federal Awards*

Internal control over major programs:

- Material weaknesses identified? No.
- Significant deficiency(ies) identified? None Reported.

Type of auditor's report issued on compliance for major programs: Unmodified.

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

Identification of major programs:

21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs \$750,000

Did the auditee qualify as low-risk auditee? Yes.

II. Section II - Financial Statement Findings None.

III. Section III - Federal Award Findings and Questioned Costs None.

IV. Summary Schedule of Prior Audit Findings None.