

COUNTY OF HENRICO, VIRGINIA

COMPLIANCE REPORTS

As of and for the Year Ended June 30, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control over Financial Reporting

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

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

Richmond, Virginia
December 2, 2024

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 Federal 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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 2, 2024, 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
December 2, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 2, 2024.

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:

Code of Virginia		State Agency Requirements
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		Highway Maintenance Funds
Debt Provisions		Opioid Abatement 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 2024-002 through 2024-004.

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
December 2, 2024

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOG NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE:				
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF EDUCATION:				
SCHOOL BREAKFAST PROGRAM	* 10.553	\$ 5,752,745	\$ -	\$ 5,752,745
NATIONAL SCHOOL LUNCH PROGRAM	* 10.555	16,964,633	-	16,964,633
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF EDUCATION		<u>22,717,378</u>	<u>-</u>	<u>22,717,378</u>
STATE DEPARTMENT OF SOCIAL SERVICES:				
STATE ADMIN MATCHING GRANT FOR THE SUPPLEMENTAL NUTRITION ASSIST PRGM	10.561	3,645,796	-	3,645,796
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF SOCIAL SERVICES		<u>3,645,796</u>	<u>-</u>	<u>3,645,796</u>
STATE DEPARTMENT OF JUVENILE JUSTICE:				
NATIONAL SCHOOL LUNCH PROGRAM	* 10.555	137,617	-	137,617
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF JUVENILE JUSTICE		<u>137,617</u>	<u>-</u>	<u>137,617</u>
NON-CASH AWARDS:				
STATE DEPARTMENT OF AGRICULTURE:				
NATIONAL SCHOOL LUNCH PROGRAM	* 10.555	1,758,128	-	1,758,128
SUBTOTAL NON-CASH AWARDS STATE DEPARTMENT OF AGRICULTURE		<u>1,758,128</u>	<u>-</u>	<u>1,758,128</u>
TOTAL NATIONAL SCHOOL LUNCH PROGRAM	* 10.555	<u>18,860,378</u>		<u>18,860,378</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>\$ 28,258,919</u>	<u>\$ -</u>	<u>\$ 28,258,919</u>

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

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOG NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION:				
DIRECT AWARDS:				
FEDERAL PELL GRANT PROGRAM	84.063	\$ 379,393	\$ -	\$ 379,393
TOTAL DIRECT AWARDS		<u>379,393</u>	<u>-</u>	<u>379,393</u>
PASS-THROUGH AWARDS:				
STATE DEPARTMENT OF EDUCATION:				
EDUCATIONAL CONSOLIDATION AND IMPROVEMENT ACT OF 1981:				
ADULT EDUCATION BASIC GRANTS TO STATES	84.002	42,494	-	42,494
TITLE I GRANTS TO LOCAL EDUCATION AGENCIES	84.010	12,403,373	-	12,403,373
TITLE I PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN	84.013	26,727	-	26,727
TOTAL EDUCATIONAL CONSOLIDATION AND IMPROVEMENT ACT OF 1981		<u>12,472,594</u>	<u>-</u>	<u>12,472,594</u>
TITLE VI:				
ASSISTANCE TO STATES FOR EDUCATION OF HANDICAPPED CHILDREN:				
SPECIAL EDUCATION GRANTS TO STATES	84.027	14,560,823	-	14,560,823
INDIVIDUALS WITH DISABILITIES EDUCATION (ARP)	84.027X	1,848,060	-	1,848,060
SPECIAL EDUCATION PRESCHOOL-GRANT	84.173	116,814	-	116,814
SPECIAL EDUCATION PRESCHOOL-GRANT (ARP)	84.173X	196,810	-	196,810
TOTAL TITLE VI		<u>16,722,507</u>	<u>-</u>	<u>16,722,507</u>
TITLE VI-B:				
VOCATIONAL EDUCATION:				
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	84.048	1,368,596	-	1,368,596
TOTAL VOCATIONAL EDUCATION		<u>1,368,596</u>	<u>-</u>	<u>1,368,596</u>

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

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOG NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
EDUCATION STABILIZATION FUND: ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUND AMERICAN RESCUE PLAN - ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ARP-ESSER) TOTAL CORONA VIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT	* 84.425D * 84.425U	35,738,527 12,338,790 <u>48,077,317</u>	- - <u>-</u>	35,738,527 12,338,790 <u>48,077,317</u>
SPECIAL PROJECTS: EDUCATION FOR HOMELESS CHILDREN AND YOUTH ENGLISH LANGUAGE ACQUISITION GRANTS IMPROVING TEACHER QUALITY STATE GRANTS SCHOOL IMPROVEMENT GRANTS STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM TOTAL SPECIAL PROJECTS SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF EDUCATION	84.196 84.365 84.367 84.377 84.424F	266,210 392,077 1,884,191 12,828 1,336,985 <u>3,892,291</u> <u>82,533,305</u>	- - - - - <u>-</u> <u>-</u>	266,210 392,077 1,884,191 12,828 1,336,985 <u>3,892,291</u> <u>82,533,305</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>\$ 82,912,698</u>	<u>\$ -</u>	<u>\$ 82,912,698</u>
U.S. DEPARTMENT OF ENERGY FEDERAL COMMUNICATIONS COMMISSION: ENERGY CONNECTIVITY FUNDS	32.009	<u>\$ 137,571</u>	<u>\$ -</u>	<u>\$ 137,571</u>
TOTAL U.S. DEPARTMENT OF ENERGY		<u>\$ 137,571</u>	<u>\$ -</u>	<u>\$ 137,571</u>

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

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOG NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
DIRECT AWARDS:				
ADMINISTRATION FOR CHILDREN, YOUTH & FAMILIES -				
HEAD START	93.600	\$ 1,849,922	\$ -	\$ 1,849,922
TOTAL DIRECT AWARDS		<u>1,849,922</u>	<u>-</u>	<u>1,849,922</u>
PASS- THROUGH AWARDS:				
STATE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENT SERVICES:				
SPECIAL EDUCATION GRANTS FOR INFANTS AND FAMILIES	84.181	372,233	-	372,233
OPIOID STATE TARGETED RESPONSE	93.788	652,049	-	652,049
BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958	883,778	-	883,778
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959	<u>861,610</u>	<u>-</u>	<u>861,610</u>
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENT SERVICES		<u>2,769,670</u>	<u>-</u>	<u>2,769,670</u>
STATE DEPARTMENT OF SOCIAL SERVICES:				
PASS- THROUGH AWARDS:				
GUARDIANSHIP ASSISTANCE	93.090	106,247	-	106,247
TITLE IV-E PREVENTION PROGRAM	93.472	37,338	-	37,338
PROMOTING SAFE AND STABLE FAMILIES	93.556	157,495	-	157,495
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	1,699,813	-	1,699,813
REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED PROGRAMS	93.566	96,495	-	96,495
LOW-INCOME HOME ENERGY ASSISTANCE	93.568	282,081	-	282,081
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOP FUND	93.596	317,830	-	317,830
CHAFEE EDUCATION AND TRAINING VOUCHERS	93.599	14,937	-	14,937
ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PAYMENTS	93.603	2,402	-	2,402
FOSTER CARE-TITLE IV-E	93.658	1,569,671	-	1,569,671
ADOPTION ASSISTANCE	93.659	1,397,351	-	1,397,351

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

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOG NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES	93.645	1,739	-	1,739
SOCIAL SERVICES BLOCK GRANT	93.667	1,337,310	-	1,337,310
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	44,708	-	44,708
ELDER ABUSE PREVENTION INTERVENTIONS PROGRAM	93.747	20,511	-	20,511
CHILDREN'S HEALTH INSURANCE PROGRAM	93.767	40,346	-	40,346
MEDICAL ASSISTANCE PROGRAM	* 93.778	3,014,258	-	3,014,258
SUBTOTAL PASS-THROUGH STATE DEPARTMENT OF SOCIAL SERVICES		10,140,532	-	10,140,532
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		\$ 14,760,124	\$ -	\$ 14,760,124
DEPARTMENT OF HOMELAND SECURITY:				
STATE DEPARTMENT OF EMERGENCY SERVICES:				
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	\$ 65,086	\$ -	\$ 65,086
HOMELAND SECURITY GRANT PROGRAM	97.067	382,017	-	382,017
SUBTOTAL STATE DEPARTMENT OF EMERGENCY SERVICES		447,103	-	447,103
TOTAL DEPARTMENT OF HOMELAND SECURITY		\$ 447,103	\$ -	\$ 447,103
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
DIRECT AWARDS:				
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	\$ 701,899	\$ 1,046,579	\$ 1,748,478
EMERGENCY SOLUTIONS GRANT	14.231	2,673	121,364	124,037
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	113,711	1,097,650	1,211,361
TOTAL U.S. OF HOUSING AND URBAN DEVELOPMENT		\$ 818,283	\$ 2,265,593	\$ 3,083,876

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

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOG NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF JUSTICE:				
DIRECT AWARDS:				
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS GRANT (RSAT)	16.593	\$ 70,649	\$ -	\$ 70,649
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606	59,809	-	59,809
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	85,711	-	85,711
TOTAL DIRECT AWARDS		<u>216,169</u>	<u>-</u>	<u>216,169</u>
PASS- THROUGH AWARDS:				
STATE DEPARTMENT OF CRIMINAL JUSTICE SERVICES:				
JUVENILE JUSTICE AND DELINQUENCY PREVENTION TITLE II GRANT	16.540	717	-	717
CRIME VICTIM ASSISTANCE	16.575	417,833	-	417,833
SUBTOTAL STATE DEPARTMENT OF CRIMINAL JUSTICE SERVICES		<u>418,550</u>	<u>-</u>	<u>418,550</u>
TOTAL U.S. DEPARTMENT OF JUSTICE		<u>\$ 634,719</u>	<u>\$ -</u>	<u>\$ 634,719</u>
U. S. DEPARTMENT OF LABOR:				
PASS-THROUGH AWARDS:				
WIA ADULT PROGRAM	* 17.258	\$ 728,993	\$ 1,348,402	\$ 2,077,395
WIA YOUTH ACTIVITIES	* 17.259	435,033	1,558,840	1,993,873
WIA DISLOCATED WORKERS	* 17.278	137,624	838,899	976,523
SUBTOTAL COMMUNITY COLLEGE SYSTEM		<u>1,301,650</u>	<u>3,746,141</u>	<u>5,047,791</u>
TOTAL U.S. DEPARTMENT OF LABOR		<u>\$ 1,301,650</u>	<u>\$ 3,746,141</u>	<u>\$ 5,047,791</u>
U.S. DEPARTMENT OF TRANSPORTATION:				
DIRECT AWARDS:				
FEDERAL HIGHWAY COMMISSION				
SAFE STREETS AND ROADS FOR ALL	20.939	\$ 53,574	\$ -	\$ 53,574
PASS- THROUGH AWARDS:				
STATE DEPARTMENT OF MOTOR VEHICLES:				
STATE AND COMMUNITY HIGHWAY SAFETY	20.600	300,439	-	300,439
STATE DEPARTMENT OF TRANSPORTATION:				
HIGHWAY PLANNING AND CONSTRUCTION	* 20.205	8,944,361	-	8,944,361
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>\$ 9,298,374</u>	<u>\$ -</u>	<u>\$ 9,298,374</u>

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

YEAR ENDED JUNE 30, 2024

FEDERAL GRANTING AGENCY/RECIPIENT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOG NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED-THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF TREASURY:				
PASS- THROUGH AWARDS:				
STATE DEPARTMENT OF ACCOUNTS:				
CORONA VIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	* 21.027	\$ 11,346,272	\$ -	\$ 11,346,272
LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND	21.032	100,000	-	100,000
SUBTOTAL STATE DEPARTMENT OF ACCOUNTS		<u>11,446,272</u>	<u>-</u>	<u>11,446,272</u>
TOTAL U.S. DEPARTMENT OF TREASURY		<u>\$ 11,446,272</u>	<u>\$ -</u>	<u>\$ 11,446,272</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 150,015,713</u>	<u>\$ 6,011,734</u>	<u>\$ 156,027,447</u>

NOTES:

* DENOTES TESTED AS 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 SEPARATELY 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 \$1,754,242

VALUE OF COMMODITIES ON HAND \$63,963

DONATED COMMODITIES CFDA # 10.555

VALUE OF COMMODITIES ISSUED \$3,886

VALUE OF COMMODITIES ON HAND \$0

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

Totals by Clusters:

Child Nutrition Cluster (CFDA 10.553, 10.555)	\$ 24,613,123
WIOA Cluster (CFDA 17.258, 17.259, 17.278)	5,047,791
Special Education Cluster (CFDA 84.027, 84.173)	16,722,507

COUNTY OF HENRICO, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

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: **Yes**
9. The programs tested as major programs were:

Assistance Listing

Name of Federal Program or Cluster

84.425 (D and U)	Elementary and Secondary School Emergency Relief Fund
20.205	Highway Planning and Construction
21.027	Coronavirus State and Local Fiscal Recovery Fund
17.258/17.259/17.278 - CL	Workforce Innovation Fund ("WIOA") Cluster
10.553/10.555 - CL	Child Nutrition Cluster
93.778	Medical Assistance Program

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.

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

YEAR ENDED JUNE 30, 2024

C. Findings and Questioned Costs Relating to Federal Awards

2024-001 – Nonmaterial Noncompliance – Eligibility

Program: Child Nutrition Cluster (ALN 10.553 and 10.555) – United States Department of Agriculture; Federal Award Year: 2024

Criteria: Title 42, U.S. Code 1758 states a child's eligibility for free or reduced-price meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnishes such information as family income and family size. Local Educational Agencies ("LEA") determine eligibility by comparing the data reported by the child's household to published income eligibility guidelines.

Condition: Of the forty (40) applicants selected for testing of eligibility; one (1) instance was identified where an applicant was improperly provided benefits without a current annual application on file.

Cause: Manual adjustment to student's application within the system by program administrators when the student transferred schools resulted in an incorrect annual renewal date and thus a current annual application was not obtained for the 2023-2024 school year.

Effect: Noncompliance may result in action by the grantor.

Questioned Costs: \$468 known questioned costs.

Recommendation: All manual adjustments made by program administrators should be reviewed by someone other than the preparer.

Views of Responsible Officials and Planned Corrective Action: School Nutrition Services concurs with this recommendation. Leadership has put a new process in place, to run a report from the point-of-sale system weekly, that will catch any "Manual" updates to lunch statuses. This report will be run weekly and verified by either the Dietitian or Controller. The report will be initialed and kept on file.

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

2024-002 – Conflict of Interest - County (Repeat Area of Non-compliance – See Finding 2023-001)

Criteria: Section 2.2-3115 of the Code of Virginia ("Code") stipulates that certain local government employees are required to file a complete Statement of Economic Interest ("SOEI"), Financial Disclosure, or Real Estate Disclosure forms with their respective local body by February 1 for each calendar year.

Condition: Of the seventy-four (74) filers who were required to complete a form during the year, we noted:

- One (1) filer submitted a form that was not complete.
- One (1) filer submitted their form after the required February 1 deadline.

Cause: 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.

Recommendation: Local government officials and employees should file the reports in accordance with Section 2.2-3115 of the Code.

COUNTY OF HENRICO, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2024

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 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 one individual who filed a disclosure form mid-year on assuming a new office (a member of a family assessment planning team) did not include all requested information on the form. The County remains committed to reviewing forms as they are received to allow individuals to correct apparent omissions. Last year, additional staff were added to the review process for annual filings in January of each year. Going forward, these additional staff will also be available to review mid-year submissions to the Clerk.

In addition, the external audit revealed one individual who did not receive notification to complete his annual disclosure form by the deadline. The list of officials required to file disclosure forms has been updated to include this individual so that the official receives the form for completion by the deadline in subsequent years.

2024-003 – Department of Social Services (“DSS”) Information Security Policy – County

Criteria: Section 2.2-2009 of the Code requires State agencies to provide annual information security training. Additional annual training requirements may be developed to address specific needs of such agency. The Virginia Department of Social Services (“VDSS”) Information Security and Risk Management guide requires all personnel, including Local Department of Social Services (“LDSS”) employees, to complete the VDSS role-based Information Security and Privacy Awareness Training annually to remain in “good standing”. Failure to comply should result in the Local Security Officers (“LSO”) removing employee access to all DSS information systems and data until “good standing” is restored.

Condition: Of the twenty-five (25) LDSS employees selected for testing who were required to complete the VDSS role-based Information Security and Privacy Awareness Training annually, we noted one (1) instance where the employee was not in “good standing” for several days during the fiscal year and maintained access to some DSS information systems and data during that time.

Cause: LSO were relying on the VDSS automatic revoking of access for DSS systems when employees are not in “good standing”, but this did not remove access to all DSS systems.

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

Recommendation: LSOs should ensure that all LDSS employees are in “good standing” and revoke access to all DSS information systems and data until “good standing” is restored.

Views of Responsible Officials and Planned Corrective Actions: Local DSS LSOs are copied on the email sent to workers notifying them that their Security training is past due and that their SAMS (“LDAP”) accounts have been suspended. Social Services IT staff will email the worker and their chain of command (supervisor, division manager and assistant director) notifying them that the worker's computer log in has been suspended. A Kace ticket will be created by the IT Department using the suspension email. The worker's County network access will be disabled requiring them to reach out to the IT Department to sign back in. IT will then reactivate the user's network access for 2 hours for Security training to be completed and a certificate of completion to be sent to IT. IT will then forward the certificate to VDSS Security who is responsible for reactivating the user's LDAP account.

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

YEAR ENDED JUNE 30, 2024

2024-004 – Children’s Services Act (“CSA”) Funds – County (Repeat Area of Non-compliance – See Finding 2023-004)

Criteria: Section 2.2-5212 of the Code, use of pool funds for the purposes of special education requires placement in approved private school educational program. Section 2.2-5209 of the Code, all children and youth, regardless of eligibility criteria, age, or referral source, who receive services funded by the CSA state pool shall be assessed using a mandatory uniform assessment instrument approved by the State Executive Council. The State Executive Council has identified the Child and Adolescent Needs and Strengths (“CANS”) tool as the CSA’s mandatory uniform assessment instrument. The CANS should be completed at case opening, annually thereafter, and at discharge for anyone receiving private day placement benefits.

Condition: Of the twenty-five (25) disbursements selected for testing, we noted one (1) instance of payment for private day placement during a month where the annual CANS requirement had lapsed.

Cause: Lack of timely annual completion of CANS tools for individual receiving private school educational program benefits.

Effect: The County is not in compliance with Section 2.2-5209 of the Code and non-compliance may result in action by the Commonwealth.

Recommendation: Local government officials and employees should complete the CANS tool annually for anyone receiving private day placement benefits.

Views of Responsible Officials and Planned Corrective Actions: In compliance with CSA requirements, an annual CANS assessment is required for each student enrolled in a private day school. This renewal CANS must be dated with the exact same month and day of the initial and previous year’s CANS. Only the year should change. Additional emphasis will be made by the assessor, to verify that the CANS date (month and date) entered into the CANVaS application matches the month and date of the previous assessment. The final verification will include inspecting the newly created CANS document and including the correct date in the filename.

Further, routine compliance checks performed by the Administrative Assistant will include comparing dates from the previous and current CANS to ensure they are correct. In the few instances where a mistake is discovered, the CANS assessment will be resubmitted with the correct date.

E. Status of Prior Year Findings

2023-001 – Conflict of Interest – Nonmaterial Noncompliance – Finding repeated – See 2024-002

2023-002 – Virginia Initiative for Education and Work (“VIEW”) Program – Nonmaterial Noncompliance – Finding not repeated.

2023-003 – Highway Maintenance Funds – Nonmaterial Noncompliance – Finding not repeated.

2023-004 – Children’s Services Act (“CSA”) Funds – Nonmaterial Noncompliance – Finding repeated – See 2024-004