



Single Audit and Compliance Report

For Fiscal Year Ended June 30, 2020
Virginia Beach, Virginia

**CITY OF VIRGINIA BEACH, VIRGINIA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

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

The Honorable Members of the City Council
of the City of Virginia Beach, 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 governmental activities, business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Virginia Beach, Virginia (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2020.

Our report includes a reference to other auditors who audited the financial statements of the Virginia Beach Community Development Corporation, a discretely presented component unit. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

The Honorable Mayor and Members of the City Council
City of Virginia Beach, Virginia

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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.



CliftonLarsonAllen LLP

Arlington, Virginia
November 30, 2020



**INDEPENDENT AUDITORS' 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**

Honorable Mayor and Members of the City Council
of the City of Virginia Beach, Virginia

Report on Compliance for Each Major Federal Program

We have audited the City of Virginia Beach's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. The City's basic financial statements include the operations of the Virginia Beach Community Development Corporation (VBCDC), a discretely presented component unit which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2020. Our audit described below did not include the operations of VBCDC. VBCDC engaged other auditors to perform an audit in accordance with the Uniform Guidance, if required.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City 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 other major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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.

The Honorable Mayor and Members of the City Council
City of Virginia Beach, Virginia

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

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 30, 2020 which contained unmodified opinions on those 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Arlington, Virginia
June 15, 2021

**CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster
12.558	Department of Defense Impact Aid
14.218	Community Development Block Grants
14.239	HOME Investment Partnership Program
21.019	Coronavirus Relief Fund
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

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

**CITY OF VIRGINIA BEACH, VIRGINIA
SUMMARY OF PRIOR YEAR FINDINGS
JUNE 30, 2020**

Section II – Financial Statement Audit

None

Section III – Major Federal Award Program Audit

None

Section III – Findings and Questioned Costs Related to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants

2020-APA 01 Conflict of Interest

Criteria: Section 2.2-3115 of the Code of Virginia stipulates that certain local government employees are required to file SOEI forms with their respective local body. Prior to assuming office or taking employment, each person listed below must file his or her required disclosure form. The filing deadline for Calendar Year 2019 filings was February 1, 2020.

Condition: One out of five conflict of interest disclosure forms selected for testing was submitted after the February 1st deadline.

Cause and Effect: The late submission was due to an oversight; the City is not in compliance with the Commonwealth's requirement.

Recommendation: The City should review current procedures and enhance as needed to ensure the conflict of interest forms are submitted in accordance with the Commonwealth's requirement.

2020-APA 02 Employee Termination

Prior year finding: 2019—APA-01

Criteria: When a user leaves the Local Department of Social Services (LDSS), their access privileges must be immediately removed from all systems they were authorized to use. Access privileges to all Virginia Department of Social Services (VDSS) should be removed within three working days of the employment termination.

Condition: One out of fifteen employee's access was not terminated within 3 days after the employee separated from the City.

Cause and Effect: The late termination of access is a State-wide issue recognized by VDSS due to the current process required to remove the access. The APA procedures have not been updated in lieu of the concerns which results in the City being non-compliant with the requirement.

Recommendation: The City should continue to update VDSS on their concerns regarding the access termination process. Communication with VDSS should be documented, and in City continues to review and enhance procedures to meet the compliance requirements.

**CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
DEPARTMENT OF AGRICULTURE								
Direct Payments:								
Pass Through Payments:								
	Child and Adult Care Food Program ¹	10.558		168,469				
Virginia Department of Education								
	School Breakfast Program (Child Nutrition Cluster)	10.553	202020N109941	3,442,520				
	National School Lunch Program (Child Nutrition Cluster)	10.555	202020N109941	10,187,387				
			202020N109941/202020N202041/202020					
			N850341	702,355				
	Child and Adult Care Food Program ¹	10.558		3,795,378				
	Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	202020N109941/202020N850341	700				
	State Administrative Expenses for Child Nutrition	10.560	201919N253341					
Virginia Department of Social Services								
	State Administrative Matching Grants for SNAP (SNAP Cluster)	10.561		4,752,944				
Total for Child Nutrition Cluster (10.553, 10.555 and 10.559)								
1 - Total for Child and Adult Care Food Program (10.558)								
DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION								
Direct Payments:								
Pass Through Payments:								
	Office for Coastal Management	11.473		318,547				
Old Dominion University								
	Science, Technology, Business and/or Education Outreach	11.620	100631-010	1,500				
DEPARTMENT OF DEFENSE								
Direct Payments:								
Science, Technology, Engineering & Mathematics (STEM) Education Outreach Program								
	Promoting K-12 Student Achievement at Military Connected Schools	12.330		7,991				
	Department of Defense Impact Aid	12.556		292,544				
	Department of the Navy	12.558		4,026,962				
	Junior ROTC Program	12.XXX		319,312				
	Military Spouse Career Advancement	12.XXX		38,562				
		12.XXX		3,653				
Pass Through Payments:								
National Security Agency								
	Language Grant Program	12.900	H98230-19-1-0086, H98230-20-1-0086	67,555				
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Direct Payments:								
Community Development Block Grants/Entitlement Grants (CDBG - Entitlement Grants Cluster) ³								
	Passed through to - Judeo Christian Outreach Center ³	14.218		2,222,819				
	Passed through to - FORKIDS Inc ³	14.218						
	Passed through to - Samaritan House - Child Services ³	14.218						
	Community Development Block Grants/Entitlement Grants - Loans (CDBG - Entitlement Grants Cluster)	14.218		2,856,502				
	Loans beginning balance ⁴	14.218			2,790,947			
	New loans ⁴	14.218			65,555			
Emergency Solutions Grant Program ⁴								
	Passed through to - Samaritan House ⁴	14.231		299,258				
	Passed through to - JCOC ⁴	14.231						
	Passed through to - Seton House ⁴	14.231						
Home Investment Partnerships Program ⁵								
	Passed through to - Virginia Supportive Housing - Church Street ⁵	14.239		397,544				
Home Investment Partnerships Program - Loans								
	Loans beginning balance ⁶	14.239		2,239,562				
	New loans ⁴	14.239			2,239,562			
Housing Opportunities for Persons with AIDS ⁶								
	Passed through to - Access AIDS Care ⁶	14.241		1,446,056				
	Passed through to - Collaborative Research, LLC ⁶	14.241						
	Section 8 Moderate Rehab Single Room Occupancy	14.249		134,365				

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)							
<u>Direct Payments:</u>							
Continuum of Care Program	14.267		31,850				
Section 8 Housing Choice Voucher (Housing Voucher Cluster)	14.871		18,820,117				
Supportive Services	14.877		45,126				
HCV CARES ACT FUNDING (both HAP & AF) (Housing Voucher Cluster)	14.879		43,001				
Mainstream 5 Program (Housing Voucher Cluster)	14.879		286,164		23,726,300		
<i>Total for Housing Voucher Cluster (14.871 and 14.879)</i>							
3 - Total for Community Development Block Grants/Entitlement Grants (14.218)					19,149,282	5,079,321	
4 - Total for Emergency Solutions Grant Program (14.231)						299,258	
5 - Total for Home Investment Partnership Program (14.239)						2,637,106	
6 - Total for Housing Opportunities for Persons with AIDS (14.241)						1,446,056	
U.S. FISH AND WILDLIFE SERVICE							
<u>Pass Through Payments:</u>							
Virginia Department of Game and Inland Fisheries							
Refuge Revenue Sharing Act (Public Law 95-469)	15.659	540722061141600	82,601				
DEPARTMENT OF JUSTICE							
<u>Direct Payments:</u>							
Body Worn Camera Policy and Implementation Program	16.835		343,285				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		155,943				
Public Safety Partnership and Community Policing Grants	16.710		386,250				
Assistance to Localities for Administration	16.XXX		254,557				
<u>Pass Through Payments:</u>							
Office of the Attorney General							
Services for Trafficking Victims	16.320	2016-VT-BX-K012	2,164				
Virginia Department of Criminal Justice Services							
Crime Victim Assistance	16.575	2018-V2-GX-0011	1,526,860				
Emergency Federal Law Enforcement Assistance	16.824	2019-EL-BX-003	227,136				
Equitable Sharing Program	16.922	VA1280001	72,630				
DEPARTMENT OF LABOR							
<u>Pass Through Payments:</u>							
Virginia Community College System							
Workforce Innovation and Opportunity Act (WIOA Adult Programs)							
Passed through to - Hampton Roads Workforce Council (WIOA Cluster)	17.258	AA-33260-19-55-A-51	2,328,216			2,328,216	
Workforce Innovation and Opportunity Act (WIOA Youth Activities)							
Passed through to - Hampton Roads Workforce Council (WIOA Cluster)	17.259	AA-33260-19-55-A-51	1,745,994			1,745,994	
Workforce Innovation and Opportunities Act (WIOA Dislocated Workers)							
Passed through to - Hampton Roads Workforce Council (WIOA Cluster)	17.278	AA-33260-19-55-A-51	816,157			816,157	
<i>Total for WIA/WIOA Cluster (17.258, 17.259 and 17.278)</i>							
DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION							
<u>Pass Through Payments:</u>							
Virginia Department of Motor Vehicles							
Alcohol Open Container Requirements	20.607	2019-DI-BX-0767, 154AL-2020-5014520145	57,031				
State and Community Highway Safety (Highway Safety Cluster)	20.600	FOP-2019-59175-9175, FOP-2020-50148-20148, FRS-219-59134-9134	57,540				
Virginia Department of Transportation							
Highway Planning and Construction (Highway Planning and Construction Cluster)	20.205	UPCs: 55202/106148/108792/114722/109053/109054/109055/15828/15829/103005/113818/84366/103583	4,871,966		4,890,367		

**CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
DEPARTMENT OF TREASURY								
<u>Pass Through Payments:</u>								
	Virginia Attorney General							
	Equitable Sharing Program	21.016	V41280001	71,697				
	Virginia Department of Finance							
	CARES ACT - CORONAVIRUS RELIEF	21.019	15006	35,675,769				
DEPARTMENT OF VETERANS AFFAIRS								
<u>Direct Payments:</u>								
	Post-9/11 Veterans Educational Assistance	64.027		15				
DEPARTMENT OF EDUCATION								
<u>Direct Payments:</u>								
	Impact Aid	84.041		9,698,001				
	Federal Pell Grant Program (Student Financial Aid Cluster)	84.063		55,303				
<u>Pass Through Payments:</u>								
	Virginia Department of Education							
	Adult Education - Basic Grants to States	84.002	42801-121-1920	282,526				
	Title 1 Grants to Local Education Agencies	84.010	S010A170046, S010A180046, S010A190046	11,020,998				
	Title 1 State Agency Program for Neglected and Delinquent Children and Youth	84.013	S013A180046, S013A190046	32,816				
	Special Education Grants to States (Special Education Cluster - IDEA)	84.027	H027A180107, H027A190107	14,059,319				
	Career and Technical Education-Basic Grants to States	84.048	V048A180046, V048A190046	851,536				
	Special Education Preschool Grants (Special Education Cluster - IDEA)	84.173	H173A180112, H173A190112	444,183				
	Special Education - Grants for Infants and Families	84.181	720-4515-38	552,667				
	Education for Homeless Children and Youth	84.196	S196A180048, S196A190048	106,306				
	Twenty-First Century Community Learning Centers	84.287	S287C180047	9,636				
	English Language Acquisition State Grants	84.365	S365A180046, S365A190046, S367A170044, S367A180044,	126,405				
	Supporting Effective Instruction Grants	84.367	S367A190044	1,382,422				
	Preschool Development Grants	84.419	S419B150010	78,553				
	Student Support and Academic Enrichment Program	84.424	S424A180048, S424A190048	633,222				
	<i>Total for Special Education Cluster - IDEA (84.027 and 84.173)</i>					14,503,501		
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
<u>Pass Through Payments:</u>								
	Virginia Department of Behavioral Health and Developmental Services							
	Projects for Assistance in Transition from Homelessness (PATH)	93.150		136,209				
	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		25,050				
	Opioid STR	93.788		478,414				
	Block Grants for Community Mental Health Services	93.958		273,919				
	Block Grants for Prevention and Treatment of Substance Abuse	93.959		1,716,743				
	Virginia Department of Health							
	HIV Prevention Activities Health Department Based	93.940		10,599				
Virginia Department of Social Services								
	Promoting Safe and Stable Families	93.556		120,775				
	Temporary Assistance for Needy Families	93.558		2,237,481				
	Refugee and Entrant Assistance State Administered Programs	93.566		3,219				
	Low-Income Home Energy Assistance	93.568		399,955				
	Child Care and Development Block Grant (CCDF Cluster)	93.575		(12,398)				
	Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596		432,551				
	Chafee Education and Training Vouchers Program (ETV)	93.599		9,376				
	Adoption and Legal Guardianship Incentive	93.603		2,944				
	Stephanie Tubbs Jones Child Welfare Services Program	93.645		3,895				
	Foster Care Title IV-E	93.658		2,879,709				
	Adoption Assistance	93.659		2,395,484				
	Social Services Block Grant	93.667		1,917,343				
	Chafee Foster Care Independence Program	93.674		44,226				
	Children's Health Insurance Program	93.767		79,382				
	Medical Assistance Program (Medicaid Cluster)	93.778	1346250065	7,547,315				
	<i>Total for CCDF Cluster (93.575 and 93.596)</i>					420,153		

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
DEPARTMENT OF HOMELAND SECURITY							
<u>Direct Payments:</u>							
National Urban Search and Rescue Response System	97.025		1,646,827				
Port Security Grant Program	97.056		47,154				
<u>Pass-Through Payments:</u>							
Virginia Department of Emergency Management							
State Homeland Security Grant	97.067	7933, 7967, 8208, 8211, EMIW-2019-CA-024	1,195,509				
Disaster Grants - Public Assistance - Presidentially Declared Disasters ⁷	97.036	FIPS# 810-82000-00	922,594				
Hazard Mitigation Grant Program	97.039	FEMA-DR-4291-VA-010, PDM/2015-005	233,695				
Flood Mitigation Assistance	97.029	FMA-PA-031VA-2013-7	167,312				
Emergency Management Performance Grants	97.042	EMP-2019-EP-00006	102,914				
7-Expenditures occurred in FY2017 but were reimbursed in FY2020							
TOTAL FEDERAL EXPENDITURES			<u>\$ 169,976,641</u>				<u>\$ 4,890,367</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. General

The accompanying Schedule of Expenditures of Federal Awards presents federally assisted programs of the City of Virginia Beach, Virginia and the City's Component Units. The City's reporting entity is disclosed in Note 1A to the City's basic financial statements. Federal awards received directly from federal agencies as well as through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1C to the City's basic financial statements.

3. Loans

The City of Va. Beach provides loans to qualified low income borrowers through CFDA #14.239, Home Investment Partnerships Program, to promote home ownership and provide assistance with down payments and closing costs. The outstanding principal balance of the HOME loans was \$2,194,496 at June 30, 2020.

The City of Va Beach provides loans to qualified low income homeowners or homeowners living in areas targeted for improvement, resulting in the elimination of health or safety code violations, through CDFA #14.218, Community Development Block Grants. The outstanding principal balance of \$2,664,027 at June 30, 2020.

4. Relationship to Financial Statements

Revenues from federal awards are reported in the City's basic financial statements as follows:

General Fund	\$	25,165,471
Capital Projects Fund		1,339,787
Non Major Governmental Funds		68,376,816
Enterprise Funds		1,823,218
Other Component Units (excluding Virginia Beach Pass-Through \$161,273)		-
School Board Funds		64,681,005
		<hr/>
Total federal awards reported in basic financial statements	\$	161,386,297

Less: Revenue closed to fund balances from the following:

Child and Adult Care Food Program	10.558	8,879
Food and Nutrition Service	10.561	14,167,025
Community Development Block Grants	14.218	(345,739)
Community Development Block Loans	14.218	(2,856,502)
Emergency Soluttion Grants	14.231	(188)
Home Investement Partnerships Program Grants	14.239	(49,374)
Home Investement Partnerships Program Loans	14.239	(2,239,562)
HOPWA Total	14.241	(660)
Mainstream 5 Program	14.HCC	12,432
Victims of Crim Act Grant Program (Victim Witness Program)	16.575	(1,202,467)
Public Safety Partnership and Community Policing Grants	16.710	386,250
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3,024
Body Work Camera Policy and Implementation	16.835	(171,642)
Highway Planning and Construction	20.205	(3,981,221)
DMV Seat Belt Enforcement	20.600	8,657
DMV Select DUI	20.607	(336)
Special Education - Grants for Infants and Families	84.181	(39,814)
Supporting Effective Instruction State Grants	93.150	9
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	57,799
Promoting Safe and Stable Families	93.556	(21,604)
Temporary Assistance for Needy Families	93.558	(2,237,481)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Refugee and Entrant Assistance State Administered Programs	93.566	(3,219)
Low-Income Home Energy Assistance	93.568	(399,955)
Child Care and Development Block Grant	93.575	12,398
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	(432,551)
Chafee Education and Training Vouchers Program (ETV)	93.599	(9,376)
Adoption and Legal Guardianship Incentive	93.603	(2,944)
Stephanie Tubbs Jones Child Welfare Services Program	93.645	(3,895)
Foster Care Title IV-E	93.658	(2,859,334)
Adoption Assistance	93.659	(2,395,484)
Social Services Block Grant	93.667	(637,799)
Chafee Foster Care Independence Program	93.674	(44,226)
Children's Health Insurance Program	93.767	(79,382)
Medical Assistance Program	93.778	(4,920,577)
Opiod STR	93.788	(28,054)
HIV Prevention Activities Health Department Based	93.940	(1,850)
Block Grants for Community Mental Health Services	93.958	(48,900)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	57,226
National Urban Search & Rescue Response System	97.025	(22,342)
Flood Mitigation Assistance	97.029	196,947
Hazard Mitigation Grant Program	97.039	(122,153)
Emergency Management Performance Grants	97.042	(102,914)
Port Security Grant Program	97.056	1,621
State Homeland Security Grant	97.067	(328,391)
		\$ (10,677,671)

Less: Revenue not subject to Single Audit:

Federal Reimbursement for Police OT	\$	145,360
Encroachment Partnership Agreement - BRAC		337,500
General Fund Federal Bond Subsidy		122,093
Water & Sewer EF Federal Bond Subsidy		889,482
Storm Water EF Federal Bond Subsidy		250,930
Debt Service SRF Federal Bond Subsidy		341,961
	\$	2,087,326

Total Federal Expenditures	\$	169,976,641
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5. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule substantially agree with the amounts reported in the related federal financial reports except that certain federal financial reports are prepared on the cash basis of accounting and the Schedule of Expenditures of Federal Awards is prepared on the basis of accounting described in Note 2 above.

6. Highway Planning and Construction Grants

The City's Highway Planning and Construction Grants are typically multi-year projects with flexible funding sources that result in funding allocation changes throughout the life of the project. Accordingly, due to the inherent nature of these transportation grants, the City prepares the accompanying Schedule using the best information received at the time of reporting. In cases where it is difficult to identify the mix of Federal and State money under the Highway Planning and Construction program, the expenditures are reported on the accompanying schedule.

7. Indirect Cost Rate

The City does not elect to use a 10% de minimis indirect cost rate allowed under section §200.414(f).