

COUNTY OF FAIRFAX, VIRGINIA

**COMPLIANCE AUDIT PURSUANT TO
2 CFR PART 200 (SINGLE AUDIT REPORT)**

For the Fiscal Year Ended June 30, 2020

(With Reports of Independent Auditor Thereon)

**FAIRFAX COUNTY
SINGLE AUDIT REPORT
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**Report of Independent Auditor 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 Supervisors
County of Fairfax, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fairfax, Virginia (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 23, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response 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 them.

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 Bekant LLP". The signature is written in a cursive, flowing style.

Tysons Corner, Virginia
November 23, 2020

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

To the Board of Supervisors
County of Fairfax, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Fairfax, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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 County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 23, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cheryl Bekaert LLP

Tyson's Corner, Virginia
November 23, 2020

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Department of Agriculture								
Direct Awards:								
National School Lunch Program	10.555 ²	Child Nutrition Cluster			\$ 5,037,003			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561 ⁵	SNAP Cluster			108,990			
Farm to School Grant Program	10.575				28,025			
Passed Through Commonwealth of Virginia: Department of Agriculture and Consumer Services								
Non-Cash Assistance: National School Lunch Program	10.555 ²	Child Nutrition Cluster	04 754		4,724			
Department of Education:								
School Breakfast Program	10.553 ¹	Child Nutrition Cluster	17901-40253		5,402,931			
COVID-19 - School Breakfast Program	10.553 ¹	Child Nutrition Cluster	17901-40253		396,464			
National School Lunch Program	10.555 ²	Child Nutrition Cluster	17901-40254		17,908,090			
COVID-19 - National School Lunch Program	10.555 ²	Child Nutrition Cluster	17901-40254		1,281,635			
Child and Adult Care Food Program	10.558 ³		4172		237,753			
Summer Food Service Program for Children	10.559 ⁴	Child Nutrition Cluster	4114		89,827			
Fresh Fruit and Vegetable Program	10.582		N/A		288,192			
Child Nutrition Discretionary Grants Limited Availability Program	10.579		201919N810341		23,456			
Department of Health								
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		409WIC2019		2,991,289			
			409WIC2020					
			707BN-BF-FFX2020					
			707CB-FFX-BF-2021					
Child and Adult Care Food Program	10.558 ³		10450		4,759,494			
			10450C					
			10449					
			58795					
			58870					
			60199					
COVID-19 - Child and Adult Care Food Program	10.558 ³		10449		29,526			
			58795					
			60199					
Summer Food Service Program for Children	10.559 ⁴	Child Nutrition Cluster	N/A		718,731			
COVID-19 - Summer Food Service Program for Children	10.559 ⁴	Child Nutrition Cluster	N/A		5,315,223			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Total by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Department of Social Services								
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561 ⁵	SNAP Cluster	84322-90212 84403-90304 84404-90303 84903-92103 84904-92104 85503-91103 85504-91104 85803-91403 85804-91404		12,655,910			
Passed Through Capital Area Food Bank:								
Non-Cash Assistance: Child and Adult Care Food Program	10.558 ³		N/A		51,900			
Non-Cash Assistance: Summer Food Service Program for Children	10.559 ⁴	Child Nutrition Cluster	N/A		21,815			
Passed Through Local Environmental Agriculture Project Inc.:								
Food Insecurity Nutrition Incentive Grants Program	10.331		FINI-2018-01		11,517			
Total for Child Nutrition Cluster (10.553, 10.555, 10.559)						\$ 36,176,443		
Total for SNAP Cluster (10.561)						12,764,900		
1 - Total School Breakfast Program (10.553)							\$ 5,799,395	
2 - Total National School Lunch Program (10.555)							24,231,452	
3 - Total Child and Adult Care Food Program (10.558)							5,078,673	
4 - Total Summer Food Service Program for Children (10.559)							6,145,596	
5 - Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10.561)							12,764,900	
Department of Defense								
Direct Awards:								
Junior ROTC	12.000				551,613			
Army Youth Programs in Your Neighborhood	12.003				80,337			
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556				1,682,447			
Invitational Grants for Military-Connected Schools	12.557				18,988			
Language Grant Program	12.900				74,411			
Department of Housing and Urban Development								
Direct Awards:								
Little River Glen Loans:								
Loans Beginning Balance	14.000			\$ 2,890,000	2,890,000			

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COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218 ⁶	CDBG - Entitlement Grants Cluster			7,403,724			
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218 ⁶	CDBG - Entitlement Grants Cluster			7,642			
Community Development Block Grants/Entitlement Grants - Loans:								
Loans Beginning Balance	14.218 ⁶	CDBG - Entitlement Grants Cluster		18,285,887				
New Loans	14.218 ⁶	CDBG - Entitlement Grants Cluster		3,461,238	21,747,125			
Emergency Solutions Grant Program	14.231				419,673			
Home Investment Partnerships Program	14.239 ⁷				741,854			
Home Investment Partnerships Program - Loans:	14.239 ⁷							
Loans Beginning Balance	14.239 ⁷			10,424,547				
New Loans	14.239 ⁷			474,601				
Continuum of Care Program	14.267				10,899,148			
Fair Housing Assistance Program State and Local	14.401				2,106,213			\$ 1,828,920
Section 8 Housing Choice Vouchers	14.871				158,792			
Mainstream Vouchers	14.879 ⁸	Housing Voucher Cluster			7,710,854			
COVID-19 - Mainstream Vouchers	14.879 ⁸	Housing Voucher Cluster			459,402			
Moving to Work Demonstration Program	14.881 ⁹	Housing Voucher Cluster			2,256			
COVID-19 - Moving to Work Demonstration Program	14.881 ⁹				52,541,397			
Family Self-Sufficiency Program	14.896				820,093			
					127,101			
Total for CDBG - Entitlement Grants Cluster (14.218)						29,158,491		
Total for Housing Voucher Cluster (14.871, 14.879)						8,172,512		
6 - Total Community Development Block Grants/Entitlement Grants (14.218)							29,158,491	
7 - Total Home Investment Partnerships Program (14.239)							11,641,002	
8 - Total Mainstream Vouchers (14.879)							461,658	
9 - Moving to Work Demonstration Program (14.881)							53,361,490	
Department of the Interior								
Direct Awards:								
Payments in Lieu of Taxes	15.226				6,728			
National Wildlife Refuge Fund	15.659				36,102			
Passed Through Alice Ferguson Foundation, Inc.:								
Natural Resource Stewardship	15.944		P16AC00862		3,382			
Department of Justice								
Direct Awards:								
Drug Court Discretionary Grant Program	16.585				319,925			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590				278,085			148,698

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COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
State Criminal Alien Assistance Program	16.606				2,338,385			
Edward Byrne Memorial Justice Assistance Grant Program	16.738				120,278			
Harold Rogers Prescription Drug Monitoring Program	16.754				376,619			279,086
STOP School Violence Grant Program	16.839				86,141			
Consolidated And Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies	16.888				4,813			
Equitable Sharing Program	16.922				217,168			
Passed Through Commonwealth of Virginia: Department of Criminal Justice Services								
Crime Victim Assistance	16.575		19-T3445SA17 20-A344VP18 20-A4118V/P18 20-X9279VG18 19-V9836VA18 19-W9333VA18 20-W9836VA19 20-X9333VA19		1,042,377			
Violence Against Women Formula Grants	16.588				130,353			
Department of Labor								
Passed Through Commonwealth of Virginia: Virginia Community College System								
WIOA Adult Program	17.258	WIOA Cluster	LWDA 11-19-02 LWDA EEI 11-18-01		788,960			788,960
WIOA Youth Activities	17.259	WIOA Cluster	LWA 11-19-01 LWDA 11-18-01		958,881			958,881
WIOA Dislocated Worker Formula Grants	17.278 ¹⁰	WIOA Cluster	LWDA 11-18-02 LWDA 11-19-02		1,204,765			1,204,765
COVID-19 - WIOA Dislocated Worker Formula Grants	17.278 ¹⁰	WIOA Cluster	RR COVID 11-19-01		215,508			215,508
Total for WIOA Cluster (17.258, 17.259, 17.278)						3,168,114		
10 - Total WIOA Dislocated Worker Formula Grants (17.278)							1,420,273	
Department of Transportation								
Direct Awards:								
Federal Transit Capital Investment Grants	20.500	Federal Transit Cluster			980,839			
Passed Through Commonwealth of Virginia: Department of Motor Vehicles								
State and Community Highway Safety	20.600	Highway Safety Cluster	FPS-2020-50174-20174		16,181			

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COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Alcohol Open Container Requirements	20.607		FSC-2019-59181-9181 FSC-2020-50168-20168 154AL-2019-59377-9377 154AL-2020-50424-20424 154AL-2020-50086-20086 M6OT-2019-59183-9183		500,880			
National Priority Safety Programs <u>Department of Rail and Public Transportation</u>	20.616	Highway Safety Cluster			5,843			
Highway Planning and Construction	20.205 ¹¹	Highway Planning and Construction Cluster	UPC T207, 47019-04 UPC T21448, 47019-03		364,864			
<u>Department of Transportation</u> Highway Planning and Construction	20.205 ¹¹	Highway Planning and Construction Cluster	UPC 52041 UPC 58601 UPC 93146 UPC 94286 UPC 94287 UPC 99054 UPC 103262 UPC 103276 UPC 103280 UPC 103281 UPC 103282 UPC 103284 UPC 103285 UPC 103907 UPC 104293 UPC 104294 UPC 105266 UPC 105286 UPC 105288 UPC 105990 UPC 106143 UPC 106274 UPC 106474 UPC 106928 UPC 106929 UPC 106936 UPC 106945 UPC 107437 UPC 107438 UPC 107439 UPC 108493 UPC 108494 UPC 108495		7,983,264			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Total by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Highway Planning and Construction	20.205 ¹¹	Highway Planning and Construction Cluster	UPC 108497 UPC 108498 UPC 108499 UPC 108500 UPC 108501 UPC 108502 UPC 108720 UPC 109607 UPC 110477 UPC 111898 UPC 111913 UPC 113610 UPC 113637 UPC 114128 UPC 116127					
Passed Through Metropolitan Washington Council of Governments:								
Non-Cash assistance: Enhanced Mobility of Seniors and Individuals with Disabilities	20.513 ¹²	Transit Services Programs Cluster	2018-014-00		244,727			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513 ¹²	Transit Services Programs Cluster	19-062		183,335			
Total for Highway Planning and Construction Cluster (20.205)						8,348,128	8,348,128	
Total for Federal Transit Cluster (20.500)						980,839	428,062	
Total for Transit Services Programs Cluster (20.513)						428,062		
Total for Highway Safety Cluster (20.600, 20.616)						22,024		
11 - Total Highway Planning and Construction (20.205)								
12 - Total Enhanced Mobility of Seniors and Individuals with Disabilities (20.513)							8,348,128	
							428,062	
Department of the Treasury								
Direct Awards:								
COVID-19 - Coronavirus Relief Fund	21.019				55,702,407			7,217,426
National Aeronautics and Space Administration								
Passed Through FIRST:								
Science	43.001		NNC06GA51A		33,514			
Department of Education								
Direct Awards:								
Impact Aid	84.041				3,945,516			
Passed Through Commonwealth of Virginia:								
Department of Behavioral Health and Developmental Services								
Special Education-Grants for Infants and Families	84.181		720-4515-14		1,579,822			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Total by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
<u>Department of Education</u>								
Adult Education - Basic Grants to States	84.002		V002A160047 V002A170047 V002A180047		1,924,265			1,071,629
Title I Grants to Local Educational Agencies	84.010		S010A160046 S010A170046 S010A180046		23,250,162			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		S013A160046 S013A170046 S013A180046		98,310			
Special Education Grants to States	84.027	Special Education Cluster (IDEA)	H027A150107 H027A160107 H027A170107 H027A180107		36,892,151			
Career and Technical Education -- Basic Grants to States	84.048		V048A160046 V048A170046 V048A180046		1,727,903			
Special Education_Preschool Grants	84.173	Special Education Cluster (IDEA)	H173A160112 H173A170112 H173A180112		810,735			
Education for Homeless Children and Youth	84.196 ¹³		S196A170048 S196A180048		102,499			
COVID-19 - Education for Homeless Children and Youth	84.196 ¹³		S196A170048		7,867			
Twenty-First Century Community Learning Centers	84.287		S287C150047 S287C160047 S287C170047 S287C180047		280,658			
English Language Acquisition State Grants	84.365		S365A150046 S365A160046 S365A170046 S365A180046		3,680,526			
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367		S367A150044 S367A160044 S367A170044 S367A180044		2,850,108			
Preschool Development Grants	84.419		S419B150010		38,573			
Student Support and Academic Enrichment Program	84.424		S424A170048		66,858			

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COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Total for Special Education Cluster (IDEA) (84.027, 84.173)								
13 - Total Education for Homeless Children and Youth (84.196)								
Department of Health and Human Services								
Direct Awards:								
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243 ¹⁵				442,711			
Head Start	93.600	Head Start Cluster			9,161,445			1,679,034
Passed Through Commonwealth of Virginia:								
<u>Department for Aging and Rehabilitative Services</u>								
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		MOU-16-118		6,912			
			MOU-20-179					
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042		MOU-16-118		48,360			
			MOU-20-179					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		MOU-16-118, 15-181		1,874			
			MOU-20-179, 19-036					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Aging Cluster	MOU-20-179, 19-036		936,625			
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Aging Cluster	MOU-16-118, 15-181		892,596			
			MOU-16-118					
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		MOU-20-179		4,776			
National Family Caregiver Support, Title III, Part E	93.052		MOU-16-118, 15-181					
			MOU-20-179, 19-036					
Nutrition Services Incentive Program	93.053	Aging Cluster	MOU-16-118		336,586			
			MOU-20-179		262,278			
Medicare Enrollment Assistance Program	93.071		MOU-16-118, 15-181		21,444			
State Health Insurance Assistance Program	93.324		MOU-16-118, 15-181		62,648			
			MOU-20-179, 19-036					
CDSME - Chronic Disease Self-Management Education Program	93.734		559 45818		3,060			
Medical Assistance Program	93.778 ¹⁸	Medicaid Cluster	MOU-16-118		19,063			
			MOU-20-179					

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COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
<u>Department of Behavioral Health and Developmental Services</u>								
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104		720-4544		351,664			
Projects for Assistance in Transition from Homelessness (PATH)	93.150		FY2018 DBHDS SPC 827 FY2019 DBHDS SPC 827 FY2020 DBHDS SPC 827		175,258			
Opioid STR	93.788		FY2018 DBHDS SPC 825 FY2019 DBHDS SPC 825 FY2020 DBHDS SPC 827		75,065			
Block Grants for Community Mental Health Services	93.958		FY2016 DBHDS SPC 871 FY2018 DBHDS SPC 871 FY2019 DBHDS SPC 871 FY2020 DBHDS SPC 871 FY2020 DBHDS SPC 824 FY2020 DBHDS SPC 837		1,791,378			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		FY2019 DBHDS SPC 872 FY2020 DBHDS SPC 814 FY2020 DBHDS SPC 816 FY2020 DBHDS SPC 818 FY2020 DBHDS SPC 826 FY2020 DBHDS SPC 830 FY2020 DBHDS SPC 872 FY2020 DBHDS SPC 981		3,045,356			
<u>Department of Education</u>								
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243 ¹⁵		1H79SM061897		16,002			15,764
Every Student Succeeds Act/Preschool Development Grants	93.434		90TP0039		1,580			
<u>Department of Health</u>								
Public Health Emergency Preparedness Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.069 93.074		EP&R 2017-2022 409-775004		200,724 26			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		EP&R 2017-2022 409TB603GY19 409TB603GY20		196,911			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Total by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Immunization Cooperative Agreements	93.268		FRXC/AP607GY20 FRXI/PI607GY20 FXC/AP607GY19 FXCI/PI607GY19		76,109			
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health Funds (PPHF)	93.305		409C/IS32395		92,905			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		6NU90TP921982-01-03		32,521			
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870		705B/J632557		626,714			
HIV Prevention Activities Health Department Based	93.940		409H/IV611GY19 FRXH/IV611GY20		2,025			
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977		FRXD/IS611GY19		13,260			
Maternal and Child Health Services Block Grant to the States	93.994		FRXD/IS611GY20 705PFF/XMCH2020		247,717			
Department of Social Services Promoting Safe and Stable Families	93.556		84929-92129 85529-91129 86601-90359 86602-90360 86605-90361 86608-90393		57,153			

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Temporary Assistance for Needy Families	93.558		80801-90603		4,707,130			378,891
			84909-92109					
			84910-92110					
			84911-92111					
			84912-92112					
			84927-92127					
			85509-91109					
			85510-91110					
			85511-91111					
			85512-91112					
			85527-91127					
			86701-90621					
			87201-90365					
			87202-90366					
			87204-90367					
			87207-90377					
			87210-90364					
			87212-90391					
			BEN-16-047-07					
			BEN-19-113-08					
			CVS-16-056-13					
			CVS-19-057-A-11					
			FAM-18-106A-04					
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		81901-90623		55,172			
			84913-92113					
			85513-91113					
			84914-92114					
			85514-91114					
			CVS-18-210-09					
			88801-90564					
			OECD-16-043-03					
			OECD-19-047-02					
			84916-92116					
Low-Income Home Energy Assistance	93.568		84917-92117		455,212			
			84918-92118					
			85516-91116					
			85517-91117					
			85518-91118					
			88901-90566					
Community Services Block Grant	93.569		86101-90353		503,390			503,390
Child Care and Development Block Grant	93.575 ¹⁶	CCDF Cluster			487,369			158,181
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCDF Cluster			525,032			
Chafee Education and Training Vouchers Program (ETV)	93.599				42,151			

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COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Adoption and Legal Guardianship Incentive Payments	93.603		82001-90651		3,344			
			84931-92131		4,021			
Stephanie Tubbs Jones Child Welfare Services Program	93.645		85531-91131					
			81107-90636					
Foster Care Title IV-E	93.658		81108-90637					
			81110-90639					
			81112-90657					
			81113-90658					
			81401-90638					
			81402-90640					
			81403-90635					
			81404-90656					
			81405-90655					
			82201-90633					
			82202-90634					
			84319-90209					
			84905-92105					
			84906-92106					
			84907-92107					
			84928-92128					
			84933-92133					
			84938-92138					
			84947-92147					
			85505-91105					
			85506-91106					
			85507-91107					
			85528-91128					
			85533-91133					
			85538-91138					
			85547-91147					
			85805-91405					
			85806-91406					
			85807-91407					
			85833-91433					
			85838-91438					
			85847-91447					
			87301-90047					
			87302-90368					
			87303-90369					
			87502-90082					

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COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Adoption Assistance	93.659		81201-90606		3,819,644			
			81202-90627					
			81203-90607					
			84324-90214					
			84908-92108					
			85508-91108					
			85808-91408					
			81701-90648					
			82904-90357					
			83304-90340					
Social Services Block Grant	93.667 ¹⁷		84920-92120		2,734,880			
			84922-92122					
			84923-92123					
			84924-92124					
			84925-92125					
			84926-92126					
			84942-92142					
			85520-91120					
			85522-91122					
			85523-91123					
			85524-91124					
			85525-91125					
			85526-91126					
			85542-91142					
			86401-90351					
			89501-90379					
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		CVS-16-056-13		18,205			
			CVS-19-057-A-11					
Chafee Foster Care Independence Program	93.674		84934-92134		35,690			
			85534-91134					
			86201-90356					
Children's Health Insurance Program	93.767		84902-92102		216,041			
			85502-91102					
			85802-91402					

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Total by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Medical Assistance Program	93.778 ¹⁸	Medicaid Cluster	84323-90213 84901-92101 84946-92146 84950-92150 85501-91101 85546-91146 85550-91150 85801-91401 85846-91446 85850-91450		13,154,066			
Office of Children's Services								
Social Services Block Grant	93.667 ¹⁷		1300		387,968			
Passed Through Association of Food and Drug Officials:								
Food and Drug Administration Research	93.103 ¹⁴		G-SP-1810-06671 G-T-1810-06684		6,000			
Passed Through Child Development Resources:								
Child Care and Development Block Grant	93.575 ¹⁶	CCDF Cluster	ITSN-NOR-17		458,257			
Passed Through National Association of County and City Health Officials:								
Food and Drug Administration Research	93.103 ¹⁴		2017-120803		9,671			
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421		2019-081501		19,452			
Passed Through Virginia Early Childhood Foundation:								
Every Student Succeeds Act/Preschool Development Grants	93.434		PDG B-5		330,802			
Total for Aging Cluster (93.044, 93.045, 93.053)						2,091,499		
Total for CCDF Cluster (93.575, 93.596)						1,470,658		
Total for Head Start Cluster (93.600)						9,161,445		
Total for Medicaid Cluster (93.778)						13,173,129		

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
14 - Total Food and Drug Administration Research (93.103)							15,671	
15 - Total Substance Abuse and Mental Health Services Projects of Regional and National Significance (93.243)							458,713	
16 - Total Child Care and Development Block Grant (93.575)							945,626	
17 - Total Social Services Block Grant (93.667)							3,122,848	
18 - Total Medical Assistance Program (93.778)							13,173,129	
Corporation for National & Community Service								
Passed Through Social Finance, Inc.:								
Non-Cash Assistance: Social Innovation Fund Pay for Success	94.024		16PS188309		4,193			
Executive Office of the President								
Passed Through George Mason University:								
Research and Data Analysis	95.007		G1899ONDCP06A		36,563			
Passed Through Washington/Baltimore HIDTA:								
High Intensity Drug Trafficking Areas Program	95.001		I-2018TXFAIRFAX I-2019TXFAIRFAX		606,408			
Department of Homeland Security								
Direct Awards:								
National Urban Search and Rescue (US&R)	97.025				2,332,367			
Response System								
Assistance to Firefighters Grant	97.044				17,669			
Passed Through Commonwealth of Virginia:								
Department of Emergency Management								
Emergency Management Performance Grants	97.042		7774 8050		122,101			
Homeland Security Grant Program	97.067 ¹⁹		SHSP 2017 SHSP 2017 7586 SHSP 2018 7843 SHSP 2018 7952 SHSP 2018 7953 SHSP 2018 7954 SHSP 2018 7973 SHSP 2019 8142 SHSP 2019 8242 15UASIS535-18		297,203			
Passed Through Montgomery County:								
Montgomery County Fire and Rescue								
Non-Cash Assistance: Homeland Security Grant Program	97.067 ¹⁹				1,048,896			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Total by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2020

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Loans	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Passed Through District of Columbia: <u>Homeland Security and Emergency Management</u> Homeland Security Grant Program	97.067 ¹⁹				9,248,722			
			16UASI531-03					
			17UASI529-02					
			17UASI531-03					
			17UASI583-01					
			17UASI583-02					
			17UASI583-03					
			18UASI529-01					
			18UASI529-03					
			18UASI530-01					
			18UASI531-01					
			18UASI531-02					
			18UASI531-03					
			18UASI531-04					
			18UASI531-05					
			18UASI533-01					
			18UASI533-02					
			18UASI583-01					
			18UASI583-02					
			18UASI583-03					
			18UASI583-04					
			18UASI583-05					
			19UASI529-01					
			19UASI529-02					
			19UASI530-01					
			19UASI531-01					
			19UASI531-02					
			19UASI531-03					
			19UASI531-04					
			19UASI531-05					
			19UASI533-01					
			19UASI583-01					
			19UASI583-02					
19 - Total Homeland Security Grant Program (97.067)							10,594,821	
Agency for International Development Direct Awards: USAID Foreign Assistance for Programs Overseas	98.001				4,402,796			
					\$ 389,711,876			\$ 16,449,133

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Total by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF FAIRFAX, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards

Fiscal year ended June 30, 2020

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes all federal grant activity of the County of Fairfax, Virginia ("County") and its component units. The County's reporting entity is defined in Note A, Part 1 of the County's basic financial statements.

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 Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

(2) Summary of Significant Accounting Policies

Except for the beginning loan balances, expenditures reported on the accompanying Schedule are reported on the modified accrual basis of accounting as defined in Note A, Part 3 of the County's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited for reimbursement.

The County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

(3) Non-Cash and Other Programs

The Commonwealth of Virginia Department of Agriculture and Consumer Services, Food Distribution Program, administers the United States Department of Agriculture ("USDA") donated food program within the Commonwealth of Virginia. USDA provides values for all donated food. For CFDA #10.555, National School Lunch Program, the County received donated food for the fiscal year ended June 30, 2020. The value of the donated food is included on the accompanying Schedule.

The Capital Area Food Bank donated food to the County for the fiscal year ended June 30, 2020 under Child and Adult Care Food Program (CFDA #10.558) and Summer Food Service Program for Children (CFDA #10.559). The value of the donated food is included on the accompanying Schedule.

The Metropolitan Washington Council of Governments donated vehicles to the County for the fiscal year ended June 30, 2020, under Enhanced Mobility of Seniors and Individuals with Disabilities (CFDA #20.513). The value of the donated vehicles is included on the accompanying Schedule.

Social Finance, Inc. donated services to the County during the fiscal year ended June 30, 2020 under the Social Innovation Fund Pay for Success (CFDA #94.024) program. This program is to provide technical assistance services to governmental and nonprofit service recipients with developing outcomes rate cards. The rate cards can then be used in the procurement process to select multiple service providers to launch performance-based projects to achieve the defined outcomes. The value of these services is included on the accompanying Schedule.

The Homeland Security Grant Program (CFDA #97.067) is granted by the U.S. Department of Homeland Security to enhance the ability of state and local governments to prepare, prevent, respond to, and recover from terrorist attacks and other disasters. Several Washington, DC metropolitan jurisdictions receive funding under this program. For the fiscal year ended June 30, 2020, the County received donated equipment from Montgomery County, Maryland Fire and Rescue. The value of the donated equipment is included on the accompanying Schedule.

COUNTY OF FAIRFAX, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards

Fiscal year ended June 30, 2020

(4) Loans

The U.S. Department of Housing and Urban Development has insured certain mortgage loan borrowings made by the County through the Fairfax County Redevelopment and Housing Authority (the "Authority") in connection with certain low income housing projects. The loan program under CFDA #14.248, Community Development Block Grant Section 108 Loan Guarantees, had an outstanding principal balance of \$4,013,000 at June 30, 2020. This loan does not have any continuing compliance requirements; therefore, it is not reported on the accompanying Schedule.

The Authority provides loans to qualified low income borrowers through CFDA #14.239, Home Investment Partnerships Program ("HOME"), to promote home ownership and provide assistance with down payments and closing costs. The outstanding principal balance of the HOME loans was \$10,537,907 at June 30, 2020. Loans made in prior years to partnership entities that are believed to be uncollectable are tracked by the Authority's loan tracking software and the County's financial system. Since there is no expectation of collecting these loans, a 100% allowance is reflected, and the value of \$7,545,190 is not included in the ending principal balance.

The Authority also 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 CFDA #14.218, Community Development Block Grants/Entitlement Grants ("CDBG"). The outstanding principal balance of the CDBG loans was \$22,089,070 at June 30, 2020. Loans made in prior years to partnership entities that are believed to be uncollectable are tracked by the Authority's loan tracking software and the County's financial system. Since there is no expectation of collecting these loans, a 100% allowance is reflected, and the value of \$2,553,420 is not included in the ending principal balance.

In addition, the Authority held Federal Housing Administration - insured mortgage revenue bonds secured by land, buildings, and equipment of \$2,605,000 at June 30, 2020. This is reported under CFDA #14.000.

On December 17, 2014, the Economic Development Authority and the County entered into a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan agreement under CFDA #20.223 with the United States Department of Transportation. The TIFIA loan is for the aggregate principal amount of up to \$403.3 million. This loan is to fund the County's obligated project costs for the construction of Phase Two of the Metrorail Silver Line extension. The outstanding balance of the TIFIA loan was \$435,525,557 at June 30, 2020, which includes principal and capitalized interest. The maximum principal available on the loan was reached in a prior year; therefore, no additional draws will be made against the loan. Under the terms of the loan agreement, the County will begin repayment on October 1, 2023. This loan does not have any continuing compliance requirements; therefore, it is not reported on the accompanying Schedule.

(5) Transportation Grants

The County's transportation 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 County prepares the accompanying Schedule using the best information available at the time of reporting. In cases where it is difficult to identify the mix of federal and state money under the federal transportation program, the expenditure is reported on the accompanying Schedule.

COUNTY OF FAIRFAX, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards

Fiscal year ended June 30, 2020

(6) Disaster Grants – Public Assistance (Presidentially Declared Disasters)

After a presidentially declared disaster, FEMA provides assistance under the federal program, Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA #97.036), to reimburse eligible costs associated with debris removal, emergency protective measures and the repair, restoration, reconstruction, or replacement of public facilities or infrastructure damaged or destroyed as a result of the federally declared disaster or emergency. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. For the fiscal year ended June 30, 2020, the County did not receive any reimbursements from FEMA for eligible expenditures.

(7) Coronavirus Aid Relief and Economic Security Act (CARES)

The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was signed by the President on March 27, 2020, to provide relief from the impact of the COVID-19 pandemic. Included in the Act are provisions and funding specific to state and local governments to protect their communities during this challenging period. During the fiscal year ended June 30, 2020, the County received and expended CARES Act funding for authorized programs. For SEFA reporting, the prefix “COVID-19” is used in the name of each federal program that has CARES Act expenditures.

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Findings and Questioned Costs

Fiscal year ended June 30, 2020

(1) Summary of Auditor's Results

Basic Financial Statements

A. Type of report issued on the financial statements: **Unmodified**

B. Internal control over financial reporting:

Significant deficiencies identified that are not considered a material weakness? **None Reported**

Material weakness identified? **No**

C. Noncompliance material to financial statements noted? **None Reported**

Federal Awards

D. Significant deficiencies in internal control over major programs noted? **Yes**

E. Material weaknesses in internal control over major programs noted? **No**

F. Type of report issued on compliance for major programs:

Major Program	CFDA Number	Type of Report Issued
Child Nutrition Cluster	10.553/10.555/10.559	Unmodified
Child & Adult Care Food Program	10.558	Unmodified
Moving to Work Demonstration Program	14.881	Unmodified
Highway Planning & Construction Cluster	20.205	Unmodified
Coronavirus Relief Fund	21.019	Unmodified
Title I, Part A Cluster	84.010	Unmodified
Foster Care – Title IV-E	93.658	Unmodified
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Unmodified
USAID Foreign Assistance for Programs Overseas	98.001	Unmodified

G. Any findings which are required to be reported under Section 200.516(a) of Uniform Guidance? **Yes**

H. Major programs are as follows:

- Child Nutrition Cluster (#10.553/10.555/10.559)
- Child & Adult Care Food Program (#10.558)
- Moving to Work Demonstration Program (#14.881)
- Highway Planning & Construction Cluster (#20.205)
- Coronavirus Relief Fund (#21.019)
- Title I, Part A Cluster (#84.010)
- Foster Care - Title IV-E (#93.658)
- Block Grants for Prevention and Treatment of Substance Abuse (#93.959)
- USAID Foreign Assistance for Programs Overseas (#98.001)

I. Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**

J. Auditee qualified as low-risk auditee? **No**

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2020

(2) Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

None reported.

(3) Findings and Questioned Costs for Federal Awards

Finding: 2020-001

Client: Fairfax County Redevelopment and Housing Authority

Year-End: June 30, 2020

Federal Awarding Agency: Department of Housing and Urban Development (HUD)

Department: Fairfax County Department of Housing and Community Development

Program name: Moving to Work **CFDA#:** 14.881

Compliance Requirement: Special Test-Housing Quality Standards Enforcement

Type of finding: Significant Deficiency, Non Material Non-Compliance

Criteria: Per 24 CFR 982.404 "The public housing authority (PHA) must not make any housing assistance payments (HAP) for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension). Per 2 CFR section 200.303, non-Federal entities receiving Federal awards must establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

Condition: During our testing of 60 inspections, we noted two instances where a unit failed its inspection and the defect was not corrected within the allowable timeframe.

- In one instance, a unit failed inspection for a life-threatening defect. Per DHCD, the tenant called the inspector and self-certified that the repair occurred within 24 hours; however, DHCD did not document this within their system and could not provide documentation of the timely remediation.
- In the second instance, a unit failed inspection and the required re-inspection occurred 77 days later, and not within the required 45 days.

Cause: The Authority relies on a heavily manual process and does not have a comprehensive inspection report for ensuring that units are timely re-inspected, self-certifications get documented within the system, the status of the failed unit is changed in the system, and that rent is abated when a unit with a failed inspection is not corrected within the required timeframe.

The nature of the current process is complex and allows for human error. The current process consists of a daily, multi-step process by the inspection supervisor, who has to run several reports to monitor inspections, as follows:

- Inspectors must enter in the results of the inspections they perform within 24 hours. The Inspection Supervisor runs the inspector activity report to ensure that the inspectors have entered in their results

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Findings and Questioned Costs

Fiscal year ended June 30, 2020

timely. Inspectors are responsible for entering in a failed inspection and entering the date of the next inspection.

- The Inspection Supervisor also runs a “failed and follow up report” that tracks failed inspections that do not have a re-inspection scheduled. The inspection supervisor goes into each account on this report and investigates why an inspection was not rescheduled.
- The HAP hold report is run weekly to show units that have failed inspections twice and thus should have a hold placed on their account.
- The inspection assignment report is run almost daily; it tells the inspection supervisor what’s scheduled and unscheduled for both annual inspections and re-inspections due to failures. The inspection supervisor then schedules any units that are due for re-inspection.

Due to the above limitations and complexities, management believes these instances to be minor oversights in their review and documentation process.

Effect: The Authority’s control environment over HQS enforcements did not ensure that re-inspections were timely performed or documented within the system. As a result, the Authority was not in compliance with the HQS enforcement requirements as of June 30, 2020. Non-compliance with these requirements creates a risk that the Authority may provide federal funds to tenants of ineligible units.

Recommendation: We recommend the Authority review their system functionality to determine whether an electronic process for scheduling and follow-up or comprehensive reporting can be identified to improve efficiency and eliminate the potential for human error. If an electronic process or comprehensive reporting isn’t available, or cannot fully cover the deficiency, we recommend the Authority look into measures to streamline their current process and ensure it will eliminate non-compliance. Potential examples include adding an inspection checklist, having the inspection supervisor review and schedule upcoming inspections in advance, building room into the schedule for life-threatening re-inspections, having the inspection supervisor ensure that each scheduled inspection is timely documented in the system, etc.

Questioned costs (include how it was determined): One tenant’s HAP of \$803 and the second tenant’s HAP of \$1,196 potentially should have been abated for one month, resulting in a total of \$1,999 in questioned costs.

Repeat Finding: No

Views of responsible officials and planned corrective actions: The Authority has taken measures to streamline the current process to assure that inspection supervisors review and schedule upcoming inspections in advance, while taking into account the importance of scheduling promptly for life threatening re-inspections and further properly documenting for completeness. In one sample, the unit was verified within 24 hours via a self-verification method where the inspector followed up with the tenant and verified the life-threatening condition was repaired, but this process was not documented. Measures have been implemented with required documentation and supervisor review of this documentation for future audits. The second sampled unit was missed due to oversight, and the Authority has taken steps to remedy and safeguard against missing inspections with comprehensive and multiple levels of review.

The Code of Federal Regulations that describes HUD’s expected performance requirements and standards for inspection compliance is the Section 8 Management Assessment Program (SEMAP), found at 24 CFR Part 985. SEMAP is designed to assess whether the Section 8 tenant-based assistance programs operate to help eligible families afford decent rental units at the correct subsidy cost. SEMAP also establishes a system for HUD to measure PHA performance in key Section 8 program areas and to assign performance ratings. With respect to HUD’s measurement for “HQS Enforcement,” HUD considers a PHA to be in full compliance if the PHA demonstrates that any cited life-threatening HQS deficiencies were corrected within

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Findings and Questioned Costs

Fiscal year ended June 30, 2020

24 hours, and at least 98 percent of any other cited HQS deficiencies were corrected within 30 days. Although the life-threatening correction was not met due to improper documentation, the Authority meets HUD's full compliance measurement for standard HQS inspections.

COUNTY OF FAIRFAX, VIRGINIA

Status of Prior Audit Findings

Fiscal year ended June 30, 2020

Status of Prior Year Findings and Questioned Costs Relating to Government Auditing Standards

Finding 2019-001 – Material Weakness in Internal Control – Financial Reporting

Status: Corrective action was taken. Finding not repeated in current year.

Finding 2019-002 – Material Weakness in Internal Control – Park Authority (discreetly presented component unit) Charges for Services and Unearned Revenues

Status: Corrective action was taken. Finding not repeated in current year.

Finding 2019-003 – Significant Deficiency in Internal Control over Financial Reporting – Construction in Progress

Status: Corrective action was taken. Finding not repeated in current year.

Status of Prior Year Findings and Questioned Costs Relating to Federal Awards

None reported.