

COUNTY OF LOUDOUN, VIRGINIA

COMPLIANCE REPORTS

For the Year Ended June 30, 2022

And Reports of Independent Auditor

COUNTY OF LOUDOUN, VIRGINIA
TABLE OF CONTENTS

COMPLIANCE REPORTS

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* 1-2

Report of Independent Auditor on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the Uniform Guidance 3-5

Report of Independent Auditor on Compliance with
Commonwealth of Virginia’s Laws, Regulations, Contracts, and Grants 6

SCHEDULES

Schedule of Expenditures of Federal Awards..... 7-15

Notes to Schedule of Expenditures of Federal Awards 16

Schedule of Findings and Questioned Costs..... 17-19

Status of Prior Audit Findings 20

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 Honorable Members of the Board of Supervisors
County of Loudoun, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 9, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 9, 2022

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

To the Honorable Members of the Board of Supervisors
County of Loudoun, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Loudoun, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 9, 2022, 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 the 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.

Cherry Bekaert LLP

Tysons Corner, Virginia
March 24, 2023

**Report of Independent Auditor on Compliance with
Commonwealth of Virginia’s Laws, Regulations, Contracts, and Grants**

To the Honorable Members of the Board of Supervisors
County of Loudoun, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the “Specifications”) issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia (the “County”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 9, 2022.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free of material misstatement, we performed tests of the County’s compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit of the basic financial statements was not to provide an opinion on overall compliance with such provisions and, accordingly, we do not express such an opinion.

The following is a summary of the Commonwealth of Virginia’s laws, regulations, contracts, and grants for which we performed tests of compliance:

<u>Code of Virginia</u>		<u>State Agency Requirements</u>
Budget and Appropriation Laws	Procurement	Education
Cash and Investments	Unclaimed Property	Children’s Services Act Funds
Conflicts of Interest	Property Taxes	Social Services
Intergovernmental Revenues	Debt Provisions	Fire Programs Aid to Localities
Economic Development Opportunity Fund		

The results of our tests disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with the Specifications, as described in the accompanying schedule of findings and questioned costs as items 2022-001 through 2022-003.

The County’s responses to the noncompliance 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 compliance 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 compliance with certain provisions of the Commonwealth of Virginia’s laws, regulations, contracts, and grants and the results of that testing, and not to provide an opinion on the County’s compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tysons Corner, Virginia
March 24, 2023

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

<u>Federal Granting Agency/Recipient State Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Total 2022 Federal Expenditures</u>	<u>Passed Through to Subrecipient</u>
United States Department of Agriculture				
Direct Payments				
Farmers Market and Local Food Pomotion Program	10.175		\$ 92,600	
Pass Through Payment				
Virginia Department of Agriculture				
Food Distribution - Non-cash Commodities-National School Lunch Program	10.555		2,418,055	
Virginia Department of Education				
School Breakfast Program	10.553		8,184,317	
National School Lunch Program	10.555		39,709,244	
Virginia Department of Juvenile Justice				
National School Lunch Program	10.555		15,514	
Virginia Department of Social Services				
State Administrative Matching Grants for Food Stamp Program	10.561		3,736,202	
Total United States Department Of Agriculture			<u>\$ 54,155,932</u>	
United States Department of Defense				
Direct Payments				
JROTC	12.999		\$ 115,385	
Total United States Department Of Defense			<u>\$ 115,385</u>	
United States Department of Housing and Urban Development				
Direct Payments				
Community Development Block Grant/Entitlement Grants	14.218		\$ 1,337,823	\$ 1,052,422
COVID-19 - Community Development Block Grant/Entitlement Grants	14.218		506,132	488,336
Supportive Housing Program - Transitional Housing Assistance	14.235		114,158	
Continuum of Care Program	14.267		11,573	
Section 8 Housing Choice Vouchers	14.871		7,538,460	
COVID-19 Section 8 Housing Choice Vouchers	14.871		32,278	
Mainstream Vouchers	14.879		1,106,619	
COVID-19 Mainstream Vouchers	14.879		211	
Family Self-Sufficiency Program	14.896		68,767	
Pass Through Payment				
Virginia Department of Housing and Community Development				
COVID-19 - Emergency Solution Grants Program	14.231		161,092	
Total United States Department of Housing and Urban Development			<u>\$ 10,877,113</u>	

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

<u>Federal Granting Agency/Recipient State Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Total 2022 Federal Expenditures</u>	<u>Passed Through to Subrecipient</u>
United States Department of Interior				
Direct Payments				
Payment in Lieu of Taxes	15.226		\$ 3,646	
Total United States Department Of Interior			\$ 3,646	
United States Department of Justice				
Direct Payments				
COVID-19 - Coronavirus Emergency Supplemental Funding	16.034		\$ 3,495	
Drug Court Discretionary Grant Program	16.585		115,453	
Grants to Encourage Arrest Policies and Endorsement of Protection Orders	16.590		342,805	
State Criminal Alien Assistance Program	16.606		351,758	
Edward Byrne Memorial JAG	16.738		48,529	
Smart Prosecution Initiative	16.825		83,067	
Pass Through Payment				
Virginia Department of Criminal Justice Services				
Coronavirus Emergency Supplemental Funding	16.034		15,628	
Residential substance Abuse Treatment for State Prisoners	16.593		8,085	
Edward Byrne Memorial Justice Assistance Grant	16.738		222,438	
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838		4,990	
Virginia Department of Education				
Stop School Violence	16.839		130,755	
Total United States Department Of Justice			\$ 1,327,003	
United States Department of Transportation				
Pass Through Payment				
Virginia Department of Motor Vehicles				
State and Community Highway Safety	20.600	FSC2021-51024-21024 FSC2022-52032-22032	\$ 30,304	
Alcohol Open Container Requirement	20.607	154-AL-2021-50023-21023 154-AL-2022-52021-22021	22,189	
Virginia Department of Transportation				
Highway Planning and Construction	20.205		1,500,253	
National Infrastructure Investments	20.933		3,020,651	
Total United States Department Of Transportation			\$ 4,573,397	

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

<u>Federal Granting Agency/Recipient State Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Total 2022 Federal Expenditures</u>	<u>Passed Through to Subrecipient</u>
United States Department of Treasury				
Direct Payments				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 17,884,632	
Pass Through Payment				
Virginia Department of Accounts				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		429,333	
Virginia Department of Criminal Justice Services				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		20,787	
Virginia State Compensation Board				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		1,081,883	
Total United States Department Of Treasury			<u>\$ 19,416,635</u>	
Federal Communications Commission				
Direct Payments				
Emergency Connectivity Fund Program	32.009		\$ 508,525	
Total Federal Communications Commission			<u>\$ 508,525</u>	
United States Department of Education				
Direct Payments				
Impact Aid	84.041		\$ 152,730	
Pass Through Payment				
Virginia Department of Behavioral Health and Developmental Services				
Special Education Grants for Infants and Families with Disabilities	84.181		463,751	
Virginia Department of Education				
Adult Education-State Grant Program	84.002		178,724	
Title I - Grants to Local Educational Agencies	84.010		1,938,735	
Title I-State Agency Program for Neglected & Delinquent Children	84.013		14,587	
Special Education - Grants to State	84.027		13,014,959	
Career and Technical Education-Basic Grants to States	84.048		490,453	
Special Education - Preschool	84.173		99,543	
Education for Homeless Children and Youth	84.196		123,491	
English Language Acquisition Grant	84.365		1,163,308	
Supporting Effective Instruction State Grants	84.367		772,987	
COVID-19 Education Stabilization Fund	84.425		12,768,969	
COVID-19 Education Stabilization Fund	84.425C		1,165	
COVID-19 Education Stabilization Fund	84.425D		256	
Total United States Department Of Education			<u>\$ 31,183,658</u>	

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

<u>Federal Granting Agency/Recipient State Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Total 2022 Federal Expenditures</u>	<u>Passed Through to Subrecipient</u>
United States Consumer Product Safety Commission				
Direct Payments				
Virginia Graeme Baker Pool and Spa Safety	87.002		\$ 4,599	
Total United States Consumer Product Safety Commission			\$ 4,599	
United States Department of Health And Human Services				
Direct Payments				
Head Start	93.600		\$ 1,133,747	
Pass Through Payment				
County of Fairfax				
Child Care and Development Block Grant	93.575		47,980	
National Association of County and City Health officials				
Medical Reserve Corps Small Grant Program	93.008		1,667	
COVID-19 - Medical Reserve Corps Small Grant Program	93.008		9,400	
Virginia Department of Health				
Immunization Cooperative Agreements	93.268		30,382	
Virginia Department of Education				
COVID-19 - Child Care and Development Block Grant	93.575		8,784	
Virginia Department For Aging and Rehab Services				
Special Programs for the Aging-Title VII Chapter 3	93.041		2,402	
Special Programs for the Aging-Title III, Part D	93.043		32,807	
Special Programs for the Aging-Title III, Parts B	93.044		290,326	
Special Program for the Aging-Title III, Part C-Nutrition Services	93.045		237,984	
COVID-19 - Special Program for the Aging-Title III, Part C-Nutrition Services	93.045		67,898	
National Family Caregiver Support	93.052		87,066	
Nutrition Services Incentive Program	93.053		124,159	
Medicare Enrollment Assistance Program	93.071		14,388	
State Health Insurance Assistance Program	93.324		27,807	
Virginia Department of Behavioral Health and Developmental Services				
Projects for Assistance in Transition from Homeless (PATH)	93.150		52,027	
Opioid STR	93.788		189,085	
Block Grants for Community Mental Health Services	93.958		485,532	
Block Grant for Prevention and Treatment of Substance Abuse	93.959		390,114	
COVID-19 - Block Grant for Prevention and Treatment of Substance Abuse	93.959		7,040	

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

<u>Federal Granting Agency/Recipient State Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Total 2022 Federal Expenditures</u>	<u>Passed Through to Subrecipient</u>
Virginia Department of Social Services				
Guardianship Assistance	93.090		\$ 1,764	
Title IV-E Prevention Program	93.472		21,613	
Promoting Safe and Stable Families	93.556		113,169	
Temporary Assistance for Needy Families	93.558		596,486	
Refugee and Entrant Assistance State Administered Program	93.566		206,453	
Low-Income Home Energy Assistance	93.568		76,897	
Child Care and Development Block Grant	93.575		30,397	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		120,891	
Chafee Education and Training Vouchers Program	93.599		9,490	
Adoption Incentive Payments	93.603		1,772	
Child Welfare Services State Grants	93.645		984	
Foster Care-Title IV-E	93.658		1,030,815	
Adoption Assistance	93.659		666,446	
Social Services Block Grant	93.667		818,843	
Chafee Foster Care Independence Program	93.674		7,075	
COVID-19 - Chafee Foster Care Independence Program	93.674		21,487	
COVID-19 - Elder Abuse Prevention Interventions Program	93.747		16,025	
State Children's Insurance Program	93.767		16,296	
Medicaid Assistance Program	93.778		2,096,275	
Total United States Department Of Health And Human Services			\$ 9,093,773	
United States office of National Drug Control Policy				
Pass Through Payment				
Mercyhurst University				
High Intensity Drug Trafficking Areas (HIDTA)	95.001	G22WB0004A	\$ 23,004	
Total United States Office Of National Drug Control Policy			\$ 23,004	

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

<u>Federal Granting Agency/Recipient State Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Total 2022 Federal Expenditures</u>	<u>Passed Through to Subrecipient</u>
United States Department of Homeland Security				
Direct Payments				
Assistance to Firefighters Grant	97.044		\$ 111,124	
COVID-19 - Assistance to Firefighters Grant	97.044		49,790	
Pass Through Payment				
Government of The District of Columbia				
Homeland Security Grant Program	97.067	19UASI876-01 20UASI876-01 20UASI581-01 21UASI876-01 19UAS1534-01 21UAS1534-01	477,922	
Northern Virginia Emergency Response System Inc				
Homeland Security Grant Program	97.067		55,357	
Virginia Department of Emergency Management				
COVID-19 - Disaster Grants-Public Assistance	97.036		2,494,575	
Emergency management Performance Grants	97.042		14,039	
Total United States Department Of Homeland Security			<u>3,202,807</u>	
Total Expenditures of Federal Awards			<u>\$ 134,485,477</u>	<u>\$ 1,540,758</u>

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

TOTALS BY CLUSTER

<u>Programs</u>	<u>Federal Catalog Number</u>	<u>Total 2022 Federal Expenditures</u>
School Breakfast Program	10.553	\$ 8,184,317
National School Lunch Program	10.555	15,514
National School Lunch Program	10.555	2,418,055
National School Lunch Program	10.555	39,709,244
Total of Child Nutrition Cluster		<u>\$ 50,327,130</u>
COVID-19 - Section 8 Housing Choice Vouchers	14.871	\$ 32,278
Section 8 Housing Choice Vouchers	14.871	7,538,460
COVID-19 - Mainstream Vouchers	14.879	211
Mainstream Vouchers	14.879	1,106,619
Total of Housing Choice Voucher Cluster		<u>\$ 8,677,568</u>
Special Education - Grants to State	84.027	\$ 13,014,959
Special Education - Preschool	84.173	99,543
Total of Special Education Cluster		<u>\$ 13,114,502</u>
Special Programs for the Aging-Title III, Part D	93.044	\$ 290,326
COVID-19 - Special Programs for the Aging-Title III, Part B	93.045	67,898
Special Programs for the Aging-Title III, Part B	93.045	237,984
Special Programs for the Aging-Title III, Part C	93.053	124,159
Total of Aging Cluster		<u>\$ 720,367</u>
COVID-19 - Child Care and Development Block Grant	93.575	\$ 8,784
Child Care and Development Block Grant	93.575	30,397
Child Care and Development Block Grant	93.575	47,980
Child Care Mandatory and Matching Funds of the CCDF	93.596	120,891
Total of CCDF Cluster		<u>\$ 208,052</u>

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

TOTALS BY PROGRAM

<u>Pass-through Agency</u>	<u>Program</u>	<u>Federal Catalog Number</u>	<u>Total 2022 Federal Expenditures</u>
Virginia Department of Juvenile Justice	National School Lunch Program	10.555	\$ 15,514
Virginia Department of Education	National School Lunch Program	10.555	39,709,244
Virginia Department of Agriculture	Food Distribution - Non-cash Commodities-National School Lunch Program	10.555	2,418,055
	Total for National School Lunch Program (10.555)		\$ 42,142,813
United States Department of Housing And Urban Development	COVID-19 - Community Development Block Grant/Entitlement Grants	14.218	\$ 506,132
United States Department of Housing And Urban Development	Community Development Block Grant/Entitlement Grants	14.218	1,337,823
	Total for Community Development Block Grant/Entitlement Grants (14.218)		\$ 1,843,955
United States Department of Housing And Urban Development	COVID-19 - Section 8 Housing Choice Vouchers	14.871	\$ 32,278
United States Department of Housing And Urban Development	Section 8 Housing Choice Vouchers	14.871	7,538,460
	Total for Section 8 Housing Choice Vouchers (14.871)		\$ 7,570,738
United States Department of Housing And Urban Development	COVID-19 - Mainstream Vouchers	14.879	\$ 211
United States Department of Housing And Urban Development	Mainstream Vouchers	14.879	1,106,619
	Total for Mainstream Vouchers (14.879)		\$ 1,106,830
United States Department of Justice	Coronavirus Emergency Supplemental Funding	16.034	\$ 3,495
Virginia Department of Criminal Justice Services	Coronavirus Emergency Supplemental Funding	16.034	15,628
	Total for Coronavirus Emergency Supplemental Funding (16.034)		\$ 19,123
United States Department of Justice	Edward Byrne Memorial - Drug Treatment	16.738	\$ 48,529
Virginia Department of Criminal Justice Services	Edward Byrne Memorial - Drug Treatment	16.738	222,438
	Total for Edward Byrne Memorial - Drug Treatment (16.738)		\$ 270,967
Virginia State Compensation Board	Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 1,081,883
Virginia Department of Criminal Justice Services	Coronavirus State and Local Fiscal Recovery Funds	21.027	20,787
Virginia Department of Accounts	Coronavirus State and Local Fiscal Recovery Funds	21.027	429,333
United States Department of Treasury	Coronavirus State and Local Fiscal Recovery Funds	21.027	17,884,632
	Total for Coronavirus Relief Fund (21.027)		\$ 19,416,635
Virginia Department of Education	COVID-19 Education Stabilization Fund	84.425	\$ 12,768,969
Virginia Department of Education	COVID-19 Education Stabilization Fund	84.425C	1,165
Virginia Department of Education	COVID-19 Education Stabilization Fund	84.425D	256
	Total for Education Stabilization Fund (84.425)		\$ 12,770,390
National Association of County and City Health officials	Medical Reserve Corps Small Grant Program	93.008	\$ 1,667
National Association of County and City Health officials	COVID-19 - Medical Reserve Corps Small Grant Program	93.008	9,400
	Total for Medical Reserve Corps Small Grant Program (93.008)		\$ 11,067

See notes to schedule of expenditures of federal awards.

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

YEAR ENDED JUNE 30, 2022

TOTALS BY PROGRAM (CONTINUED)

Pass-through Agency	Program	Federal Catalog Number	Total 2022 Federal Expenditures
Virginia Department For Aging and Rehab Services	COVID-19 - Special Program for the Aging_Title III, Part C-Nutrition Services	93.045	\$ 67,898
Virginia Department For Aging and Rehab Services	Special Program for the Aging_Title III, Part C-Nutrition Services	93.045	237,984
	Total for Special Program for the Aging_Title III, Part C-Nutrition Services (93.045)		\$ 305,882
County of Fairfax	Child Care and Development Block Grant	93.575	\$ 47,980
Virginia Department of Education	COVID-19 - Child Care and Development Block Grant	93.575	8,784
Virginia Department of Social Services	Child Care and Development Block Grant	93.575	30,397
	Total for Child Care and Development Block Grant (93.575)		\$ 87,161
Virginia Department of Social Services	COVID-19 - Chafee Foster Care Independence Program	93.674	\$ 21,487
Virginia Department of Social Services	Chafee Foster Care Independence Program	93.674	7,075
	Total of Chafee Foster Care Independence Program (93.674)		\$ 28,562
Virginia Department of Behavioral Health and Developmental Services	COVID-19 - Block Grant for Prevention and Treatment of Substance Abuse	93.959	\$ 7,040
Virginia Department of Behavioral Health and Developmental Services	Block Grant for Prevention and Treatment of Substance Abuse	93.959	390,114
	Total of Block Grant for Prevention and Treatment of Substance Abuse (93.959)		\$ 397,154
United States Department of Homeland Security	COVID-19 - Assistance to Firefighters Grant	97.044	\$ 49,790
United States Department of Homeland Security	Assistance to Firefighters Grant	97.044	111,124
	Total of Assistance to Firefighters Grant (97.044)		\$ 160,914
Government of The District of Columbia	Homeland Security Grant Program	97.067	\$ 477,922
Northern Virginia Emergency Response System Inc	Homeland Security Grant Program	97.067	55,357
	Total of Homeland Security Grant Program (97.067)		\$ 533,279

See notes to schedule of expenditures of federal awards.

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2022

Note 1—Summary of significant accounting policies

Reporting Entity – The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the activity of all federal award programs administered by the County of Loudoun, Virginia (the “County”) and its component unit, the Loudoun County Public Schools. The County’s reporting entity is defined in Note I A of the County’s basic financial statements.

Basis of Presentation – The information in the 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 the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal award program titles are reported as presented by the Assistance Listing Number (“ALN”) in effect for the year in which the award was granted.

Basis of Accounting – The Schedule has been prepared on the modified accrual basis of accounting as defined in Note I B of the County’s basic financial statements.

Matching Costs – The nonfederal share of certain program costs are not included in the Schedule.

De Minimis Cost Rate – The County has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.

Federal Award Programs – The County’s programs include direct expenditures, monies passed through to other governmental entities (i.e., payments to subrecipients), and nonmonetary assistance.

Note 2—Relationship to federal financial reports

The regulation and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule.

Note 3—Noncash and other programs

- (a) The Community Development Block Grant/Entitlement (“CDBG”) (ALN 14.218) is granted by U.S. Department of Housing and Urban Development (“HUD”) to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. The Loudoun County Home Improvement Program, which is funded by CDBG, provides loans and grants to income eligible homeowners to rehabilitate their homes. For the year ended June 30, 2022, the County provided no funds from the repayment fund to program recipients.
- (b) The Section 8 Housing Choice Vouchers program (ALN 14.871) is granted by HUD to aid low-income families in obtaining decent, safe, and sanitary rental housing. For the year ended June 30, 2022, \$11,133 from program income was provided to clients.
- (c) The Mainstream Vouchers program (ALN 14.879) is granted by HUD to aid persons with disabilities in obtaining decent, safe, and sanitary rental housing. For the year ended June 30, 2022, \$500 from program income was provided to clients.

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

(1) Summary of Auditor's Results

- a. The type of report issued on the financial statements: **Unmodified**
- b. Significant deficiencies in internal control disclosed by the audit of the financial statements: **None reported**
- c. Material weaknesses in internal control disclosed by the audit of the financial statements: **No**
- d. Noncompliance which is material to the financial statements: **No**
- e. Significant deficiencies in internal control over major programs: **None reported**
- f. Material weakness in internal control over major programs: **No**
- g. The type of report issued on compliance for major programs: **Unmodified**
- h. Any audit findings which are required to be reported under Section 200.516(a) of the Uniform Guidance: **No**
- i. Major programs:
 - Child Nutrition Cluster (Assistance Listing Numbers 10.553 and 10.555)
 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing Number 21.027)
 - Special Education Cluster (Assistance Listing Numbers 84.027 and 84.173)
 - COVID-19 Education Stabilization Fund (Assistance Listing Number 84.425)
- j. Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- k. Auditee qualified as low-risk auditee: **Yes**

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

None reported.

(3) Findings and Questioned Costs Relating to Federal Awards

None reported.

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

JUNE 30, 2022

(4) Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia (the “Commonwealth”) Laws, Regulations, Contracts, and Grants

2022-001: Non-material Noncompliance – Financial Disclosure Statement (the “FDS”) (Repeat Finding 2021-001)

Condition: One (1) member of the Dulles Town Center Community Development Authority’s (the “CDA”) Board of Directors (the “Board”) during the fiscal year ended June 30, 2022 did not file a required form.

Criteria: Section 2.2-3115 of the Code of Virginia requires local officials to file a Statement of Economic Interests, Real Estate Disclosure Form, or FDS form, as applicable, with the clerk of the governing body by February 1st or prior to assuming office or taking employment to disclose personal financial interests that may cause conflicts. Additionally, the Virginia Conflict of Interest and Ethics Advisory Council requires that the local official may not sign, date, or submit a disclosure form for the regular annual filing period prior to January 1st each year.

Cause: Failure of the Board member to comply with the obligation to complete and submit the FDS, despite being directed to do so and reminded of the requirement by the Clerk to the County Board of Supervisors.

Effect: Noncompliance may result in a penalty imposed on the Board member.

Questioned Cost: Non-financial finding.

Recommendation: Local government officials should complete the Statement of Economic Interests, Real Estate Disclosure Forms, or FDS forms, as applicable, in accordance with prescribed requirements.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: Leo Rogers, County Attorney

Estimated Completion: June 30, 2023

Corrected Action: The Clerk to the County Board of Supervisors will be advised to continue to inform the appropriate liaison for other affected public bodies (i.e., Planning Commission, Economic Development Authority, CDA and County Board of Supervisors) that the applicable form(s) must be completed by members in accordance with the requirements per the Code of Virginia.

2022-002: Non-material Noncompliance – Virginia Initiative for Education and Work (the “VIEW”)

Condition: For a sample of twenty-five (25) VIEW purchased service transactions, five (5) beneficiary case files did not contain evidence for verification of the services being performed in accordance with the policy based on the individuals’ VIEW Participant’s Activity and Service Plan (the “Plan”).

Criteria: Per Section 3-15 of the *Specifications for Audits of Counties, Cities, and Towns*, published by the Commonwealth of Virginia’s Auditor of Public Accounts, counties are responsible for maintaining individual VIEW Plan to determine if the services being performed are in accordance with the policy and the individual’s respective plan.

Cause: A lack of documentation for individuals VIEW Plan.

Effect: Noncompliance may result in action by the Commonwealth.

Questioned Cost: Non-financial finding.

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

JUNE 30, 2022

Recommendation: The County should ensure all beneficiary case files contain a VIEW Plan and corresponding evidence supporting the services being performed are in accordance with the policy and respective beneficiaries service plan as required by the Commonwealth.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: Chris Slagle, Public Benefits Program Manager

Estimated Completion: June 30, 2023

Corrected Action: Supervisors will require individual service plans to be completed prior to services being provided for each respective beneficiary and will retain all evidence in each respective beneficiary case file.

2022-003: Non-material Noncompliance – Property Taxes

Condition: For a sample of twenty-five (25) exonerations, support for one (1) exoneration form could not be provided for compliance testing.

Criteria: Per Section 2-4 of the *Specifications for Audits of Counties, Cities, and Towns*, published by the Commonwealth of Virginia's Auditor of Public Accounts, Counties are responsible for maintaining exoneration forms and subsidiary assessment records supporting the approval and purpose of the exonerations.

Cause: A lack of documentation for an exoneration recorded.

Effect: Noncompliance may result in action by the Commonwealth.

Questioned Cost: Non-financial finding.

Recommendation: The County should ensure exoneration forms contain underlying assessment records denoting the purpose and approval of the exoneration as required by the Commonwealth.

Views of Responsible Officials and Planned Corrective Action:

Responsible Person: James White, Real Estate Commissioner

Estimated Completion: June 30, 2023

Corrected Action: In this case, the Commissioner of the Revenue's office deactivated parcel 154165701000 for tax year 2019. However, the account did not get deactivated in the tax system (RBS). Therefore, it continued to receive a levy in error.

Moving forward the Commissioner of the Revenue will create an annual file that contains all deactivated parcels prior to levy to ensure that no deactivated parcels will be billed erroneously in the tax system (RBS).

COUNTY OF LOUDOUN, VIRGINIA
STATUS OF PRIOR AUDIT FINDINGS

JUNE 30, 2022

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

None reported.

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

None reported.

Status of Prior Year Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants

2021-001: Non-material Noncompliance – Real Estate Disclosure Form (REDF)

Condition: One (1) new member appointed to the Board of Zoning Appeals (BZA) during the fiscal year ended June 30, 2021 did not file a required form prior to assuming office.

Status: Finding repeated in current year – see 2022-001.