

CITY OF ALEXANDRIA, VIRGINIA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2024



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alexandria, Virginia (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2024.

Our audit includes a reference to other auditors who audited the financial statements of the discretely presented component unit, the City of Alexandria Library System. The financial statements of the City of Alexandria Library System were not audited in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with City of Alexandria Library System.

Report on Internal Control Over Financial Reporting

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

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

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

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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

City's Response to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Arlington, Virginia

December 16, 2024, except for finding 2024-002, as to which the date is March 19, 2025



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

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

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City of Alexandria, Virginia's (the City), 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 City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of Alexandria Library, a component unit of the City, which may receive federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the Alexandria Library because the auditor was engaged to perform a separate audit in accordance with the Uniform Guidance.

Qualified Opinion on Head Start Cluster Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Head Start Cluster for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 Qualified and unmodified opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion

As described in the accompanying schedule of findings and questioned costs, the City did not comply with the requirement regarding Assistance Listing No. 93.600-Head Start Cluster as described in findings number 2024-003 for Subrecipient monitoring and 2024-004 for Reporting.

Compliance with the requirement is necessary, in our opinion, for the City to comply with the requirement applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the operations of Alexandria Library, which expended in federal awards which is not included in City's schedule of expenditures of federal awards during the year ended June 30, 2024. Our compliance audit, described in the Opinion on Each Major Federal Program, does not include the operations of the Alexandria Library because the auditor was engaged to perform a separate audit in accordance with the Uniform Guidance.

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 City's federal programs.

Auditors' 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 City'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City'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 City'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 City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-005 to be a significant deficiency.

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.

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

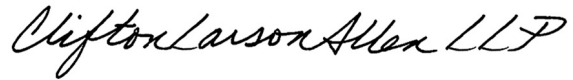
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 16, 2024, 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.

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

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Arlington, Virginia
March 19, 2025

CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Recipient State Agency/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department Of Agriculture				
Pass Through Payments:				
Department of Agriculture and Consumer Services (301 535-06):				
Food Insecurity Nutrition Incentive - FINI - DCHS	10.331	N/A	\$ -	\$ 5,025
Compost and Food Waste Reduction - USDA CFWR Cooperative	10.935	USDA/NRCS	-	249,876
Virginia State Department of Education (197 457-07)				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	-	1,919,391
School Lunch Program	10.555	N/A	-	6,054,700
CN-SNP COVID Emergency Cost - Schools	10.555	Program# 403120	-	1,425
Department of Agriculture and Consumer Services (301 535-06):				
National School Lunch Program - Schools	10.555	Agency # 00 480	-	617,714
Subtotal 10.555			-	6,673,839
Commodity Food Distribution - Schools	10.559	Program # 403111	-	102,018
Subtotal 10.559			-	102,018
Total Child Nutrition Cluster			-	8,695,248
SNAP Cluster:				
State Administrative Matching for Supplemental Nutrition Assistance Program	10.561	LASER	-	3,968,441
Subtotal SNAP Cluster			-	3,968,441
Virginia State Department of Education (197 457-07)				
CN-Child and Adult Food Care Prg-Emergency Costs - Schools	10.558	Program # 403120	-	172,167
Subtotal 10.558			-	172,167
Fresh Fruits and Vegetable Program - Schools	10.582	N/A	-	68,030
SNP Local EBT - Schools	10.649	N/A	-	6,180
Total U.S. Department Of Agriculture			-	13,164,967
U.S. Department Of Education				
Pass Through Payments:				
Virginia State Department of Education:				
Adult Literacy Services - Federal	84.002	OMEGA-State Allocation	-	154,978
Title 1 Grants to Local Educational Agencies	84.010	OMEGA-State Allocation	-	3,758,784
Title 1 State Agency Program for Neglected and Delinquent Children	84.013	OMEGA-State Allocation	-	11,011
Special Education Cluster:				
Special Education Grants to States	84.027	OMEGA-State Allocation	-	3,533,200
Special Education Grants to States Supplemental Secondary Transition Grant	84.027A	OMEGA-State Allocation	-	2,165
COVID-19 American Rescue Plan (ARP) Elementary and Secondary Schools Emergency Relief Fund III for Special Education_Grants to States	84.027X	State Allocation	-	34,761
COVID-19 American Rescue Plan (ARP) Elementary and Secondary Schools Emergency Relief Fund III for Special Education_Preschool Grants	84.173X	State Allocation	-	36,376
Special Education Preschool Grants	84.173	OMEGA-State Allocation	-	103,273
Subtotal for Special Education Cluster			-	3,709,775
Career and Technical Education - Basic Grants to States	84.048	OMEGA-State Allocation	-	330,997
Migrant Education High School Equivalency Program (HEP) PIE-MH/MR/SA	84.181	State Allocation	-	155,161
Education for Homeless Children and Youth	84.196	OMEGA-State Allocation	-	11,460
Twenty-First Century Community Learning Centers	84.287	OMEGA-State Allocation	-	951,035
English Language Acquisition Grants	84.365	OMEGA-State Allocation	-	488,955
Improving Teacher Quality State Grants	84.367	OMEGA-State Allocation	-	687,579
Student Support and Academic Enrichment Grants	84.424	OMEGA-State Allocation	-	328,978
Education Stabilization Fund (ESF):				
COVID-19 CRRSA-Act - Elementary and Secondary School Emergency Relief Fund II		State Allocation	-	-
COVID-19 CRRSA-Act - Elementary and Secondary School Emergency Relief Fund II	84.425D	State Allocation	-	267,523
Emergency Relief Fund III	84.425U	State Allocation	-	16,320,605
COVID-19 American Rescue Plan (ARP) Elementary and Secondary Schools				
Emergency Relief Fund III for Homeless Children and Youth	84.425W	State Allocation	-	63,260
Total Education Stabilization Fund (ESF)			-	23,489,738
Total U.S. Department of Education			-	27,240,101

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Grantor/Recipient State Agency/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department Of Health And Human Services				
Direct Payments:				
Administration for Children, Youth and Families				
Affordable Care Act (ACA) Personal	93.092	N/A	\$ -	\$ 334,875
Block Grant for Community Mental Health Services	93.958	N/A	-	330,967
Head Start Cluster	93.600	N/A	2,958,531	2,958,531
Total Direct Payments			2,958,531	3,624,373
Pass Through Payments: State of Virginia				
Trans-NIH Research Support - Schools	93.310	State Allocation	-	383,870
Department of Health:				
Injury Prevention and Control Research and State and Community Based	93.136	State Allocation	-	58,807
NACCHO Disabilities	93.421	State Allocation	-	11,748
NCOA Community Action Grant	96.480	State Allocation	-	40,962
Every Student Succeeds Act/Federal Preschool Development Grant - DCHS	93.434	State Allocation	-	196,577
Department of Mental Health and Mental Retardation:				
Substance Abuse and Mental Health Services	93.243	none	-	52,585
State Health Insurance Assistance Program	93.324	State Allocation	-	41,570
Block Grant for Community Mental Health Services - MH FBG SMI	93.958	State Allocation	-	567,045
Projects for Assistance in Transition from Homelessness	93.150	State Allocation	-	105,823
Block Grant for Prevention and Treatment of Substance Abuse	93.959	State Allocation	-	405,085
State of Virginia Department for the Aging:				
Aging Cluster:				
Special Programs for the Aging				
Special Programs for the Aging_Title III Part_D_Disease				
Prevention and Health Promotion Services	93.043	State Allocation	-	220
Title III Part B Supportive Svces and Senior Centers	93.044	State Allocation	-	306,784
Special Programs for the Aging Adults Day Health Care Svces	93.044	State Allocation	-	41,573
Title IIIC - Nutritional Services	93.045	State Allocation	-	437,133
Total Aging Cluster			-	785,710
Virginia State Department Of Education (197 457-07)				
Pass Through Payments: State of Virginia				
Virginia Department of Social Services:				
Title IV-E Prevention Program	93.472	Laser	-	40,648
Promoting Safe and Stable Families	93.556	Laser	-	31,140
Temporary Assistance for Needy Families Cluster:				
Temporary Assistance for Needy Families - SW	93.558	State Allocation	-	5,084
Temporary Assistance for Needy Families	93.558	Laser	-	839,306
Subtotal Temporary Assistance for Needy Families Cluster			-	916,178
Social Service Block Grant	93.667	State Allocation	-	177,954
Social Service Block Grant - CSBG TANF-EA	93.667	Laser	-	1,780,462
Subtotal Social Service Block Grant			-	1,958,416
Adoption Incentive Funds	93.603	Laser	-	6,000
Refugee Cash Assistance - State Administered Programs	93.566	Laser	-	299,063
Community Services Block Grant	93.569	State Allocation	-	122,874
Low Income Home Energy Assistance	93.568	Laser	-	158,458
Child Care Cluster:				
Pass Through Payments: Fairfax County Virginia				
Child Care and Development Block Grant - ACPs	93.575	State Allocation	-	10,982
Child Care Mandatory				
Guardianship Assistance (children & Families) - GAP	93.090	Laser	-	5,045
Matching Funds of the Childcare and Development Fund	93.596	Laser	-	215,886
Total Child Care Cluster			-	231,913
Medical Cluster:				
Medical Assistance Program	93.778	Laser	-	3,087,695
Total Medical Cluster			-	3,087,695
Opioid STR	93.788	Laser	-	179,724
Chafee Education and Training Vouchers	93.599	Laser	-	6,648
Foster Care Title IV - E	93.658	Laser	-	1,003,981
Adoption Assistance	93.659	Laser	-	1,581,079
Chafee Foster Care Independence Program	93.674	Laser	-	7,113
Children's Health Insurance Program	93.767	Laser	-	36,321
Total Pass Through Payments			-	12,245,245
Total U.S. Department Of Health And Human Services			2,958,531	15,869,618

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Grantor/Recipient State Agency/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department Of Homeland Security				
Pass Through Payments				
Emergency Management Performance Grants	97.042	State Allocation	\$ -	\$ 54,525
Assistance to Firefighters Grant	97.044	State Allocation	-	33,588
Homeland Security Grant Program	97.067	State Allocation	-	441,741
Total Pass Through Payments			-	529,854
Total U.S. Department Of Homeland Security			-	529,854
U.S. Department Of Housing And Urban Development				
Direct Payments:				
Continuum of Care Program	14.267	N/A	-	75,890
Community Development Block Grant Program				
Entitlement Grants Cluster:				
Community Development Block Grant Program, Entitlement Grants	14.218	N/A	-	1,220,772
Total Direct Payments			-	1,296,662
Pass Through Payments				
Supportive Housing Program	14.235	N/A	-	105,370
COVID-19 HOME ARP Grant Program	14.239	N/A	-	151,018
Home Investment Partnerships Program	14.239	N/A	-	41,193
Subtotal HOME Program			-	192,211
Total Pass Through Payments			-	297,581
Total U.S. Department Of Housing And Urban Development			-	1,594,243
U.S. Department Of Justice				
Direct Payments:				
Drug Court Discretionary Grant Program	16.585	N/A	-	94,531
Edward Byrne Memorial JAG grant	16.738	N/A	-	89,927
Byrne Discretionary	16.753	N/A	-	1,000,000
Total Direct Payments			-	1,184,458
Pass Through Payments:				
Department of Criminal Justice Services (140-390-01)				
Sexual Assault Services Formula Program	16.017	State Allocation	-	32,141
Crime Victim Assistance	16.575	State Allocation	-	189,418
Crime Victim Assistance - SADVGP	16.575	99.998 / 16.800	-	396,188
Subtotal Crime Victims Assistance			-	585,606
Violence Against Women Formula Grants	16.588	State Allocation	-	25,000
Youth Gang Prevention	16.544	State Allocation	-	1,710
Violence Against Women Formula Grants - VSTOP Domestic Violence	16.588	State Allocation	-	42,799
Office of Violence Against Women (OVW)-DCHS	16.888	State Allocation	-	76,055
Subtotal Violence Against Women			-	118,854
Total Pass Through Payments			-	1,348,917
Total U.S. Department Of Justice			-	1,947,769
U.S. Department Of Labor				
Pass Through Payments:				
Department of Labor and Industry				
National Dislocated Worker Grants	17.277	State Allocation	-	1,200
Workforce Investment Act Cluster:				
WIOA Adult Program	17.258	LWA 12-09	-	192,244
WIOA Youth Activities	17.259	LWA 12-09	-	210,188
WIOA Employment Training Administration	17.278	LWA 12-09	-	87,199
WIOA Dislocated Worker Formula Grants - ACPs	17.278	State Allocation	-	10,021
Subtotal WIOA			-	97,220
Total WIOA Cluster			-	499,652
Total U.S. Department Of Labor			-	500,852

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Grantor/Recipient State Agency/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department Of Transportation				
Pass Through Payments:				
Virginia Department of Transportation				
HPCC Cluster:				
Highway Planning and Construction - DRPT	20.205	State Allocation	\$ -	\$ 328,992
Highway Planning and Construction - VDOT	20.205	State Allocation	-	1,009,971
Total HPCC Cluster			-	1,338,963
Alcohol Open Container Requirements	20.607	State Allocation	-	26,485
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	State Allocation	-	316
Total Pass Through Payments			-	1,365,764
Total U.S. Department Of Transportation			-	1,365,764
U.S. Department Of Treasury				
Direct Payments:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - CSLFRF (ARPA)				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - CSLFRF (ARPA)	21.027	ARPA-CSLFRF	1,578,718	4,158,065
COVID-19 American Rescue Plan (ARP) - DCHS	21.027	ARPA-CSLFRF	-	270,224
Total U.S. Department Of Treasury			1,578,718	4,428,289
U.S. Equal Employment Opportunity Commission				
Direct Payments:				
Employment Discrimination				
State and Local Fair Employment Practices Agency Contracts	30.002	N/A	-	32,090
Total U.S. Equal Employment Opportunity Commission			-	32,090
U.S. National Endowment For The Humanities				
Direct Payments:				
Museum Grants for African American History and Culture (2022)	45.309	AAHC-FY22	-	53,325
Total U.S. National Endowment For The Humanities			-	53,325
Other Federal Aid				
Direct Payments:				
EMS Two For Life	99.998	N/A	-	89,356
High Intensity Drug Trafficking Area	98.473	N/A	-	153,219
Total Other Federal Aid			-	242,575
Total Federal Expenditures			\$ 4,537,249	\$ 66,969,447

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF ALEXANDRIA, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) includes all federal grant activity of the City of Alexandria, Virginia, Alexandria City Public Schools, and Alexandria Transit Company (DASH) during fiscal year 2024. The City's basic financial statements include the operations of Alexandria Library, a component unit of the City, which may receive federal awards that are not included in the accompanying Schedule of Expenditures of Federal Awards.

The City's reporting entity is defined in Note 1 of the City's basic financial statements. federal awards are received directly, as well as passed through other governmental agencies.

This Schedule has been prepared on the modified accrual basis of accounting. Expenditures are recorded when the liability is incurred. 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).

NOTE 2 INDIRECT COSTS

The City and the Alexandria City Public Schools did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 RECONCILIATION OF NOTES TO FINANCIAL STATEMENTS TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City receives and expends federal revenues that are non-grant related and therefore not reportable under the Schedule. A reconciliation of the Schedule to Note 12 in the notes to the financial statements, Intergovernmental Revenues, is provided below:

Total Federal Expenditure per Schedule	\$ 66,969,447
Nonreportable Federal Revenue	7,091,517
Total Federal Revenue per Note 12	<u>\$ 74,060,964</u>

NOTE 4 FEDERAL COGNIZANT AGENCY

The Federal Cognizant Agency for the City of Alexandria, Virginia, is the United States Department of Housing and Urban Development.

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

Major Program	Assistance Listing Number	Opinion
State Administrative Matching for Supplemental Nutrition Assistance Program Cluster	10.561	Unmodified
COVID-19 Coronavirus State and Local Recovery Funds	21.027	Unmodified
Medical Assistance Program Cluster	93.778	Unmodified
Head Start Cluster	93.600	Qualified
Social Service Block Grant	93.667	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$2,009,083</u>	
Auditee qualified as low-risk auditee?	<u> x </u> yes	<u> </u> no

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Audit

Finding 2024-001 – Financial Reporting Process

Significant Deficiency in Internal Control over Financial Reporting

Condition:

The City's Annual Comprehensive Financial Report (ACFR) as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). Internal controls over financial reporting were not consistently performed to prevent or detect misstatements during the preparation of the ACFR and proposed adjustments were required.

Criteria:

Statements on Auditing Standards (AU-C 200.14) requires that management acknowledge and understand that they have responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In addition, the internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context:

Adjustments were made throughout the audit to several accounts and financial statement groups including, cash and cash equivalents, tax receivables, due from other funds, prepaid items, fixed assets and lease liability.

Effect:

The City's Annual Comprehensive Financial Report (ACFR) as presented for audit, was not prepared in accordance with generally accepted accounting principles.

Cause:

The internal controls over financial reporting were not consistently performed to prevent or detect misstatements during the preparation of the ACFR and proposed adjustments were required.

Repeat Finding:

No

Recommendation:

We recommend that the City continue to strengthen its internal controls over financial fund reporting to ensure the financial statements are in accordance with General Accepted Accounting Principles.

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Audit (Continued)

Finding 2024-001 – Financial Reporting Process (Continued)

Significant Deficiency in Internal Control over Financial Reporting

Views of Responsible Officials and Planned Corrective Actions:

There is no disagreement with the audit finding. Turnover in the Accounting Division during the fiscal year and at the start of the year-end close process put significant pressure on remaining staff to perform all of the normal and necessary reconciliations across a number of accounts. The new Comptroller has a plan in place to ensure that work is performed in a timely and accurate manner.

Finding 2024-002 – Reporting – Schedule of Expenditures of Federal Awards (SEFA)

Significant Deficiency in Internal Control over Financial Reporting

Condition:

The Schedule of Expenditures of Federal Awards (SEFA) contained errors related to the amount provided to subrecipients.

Criteria:

2 CFR part 200.510 states that the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended. At a minimum, the schedule must:

- 1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- 2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- 3) Provide total Federal awards expended for each individual Federal program and then Assistance Listing Number or other identifying number when the Assistance listing information is not available. For a cluster of programs, also provide the total for the cluster.
- 4) Include the total amount provided to subrecipients from each Federal program.

Context:

The City did not report subrecipient expenditures for the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) ALN#21.027 totaling \$1,578,718 and the HeadStart program ALN#93.600 total \$2,958,531.

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Audit (Continued)

Finding 2024-002 – Reporting – Schedule of Expenditures of Federal Awards (SEFA) (Continued)
Significant Deficiency in Internal Control over Financial Reporting

Effect:

The amount reported as subrecipients expenditures on the SEFA was initially omitted.

Cause:

The City's system does not currently separate pass-through amounts. Previous practice was to report total expenditures and to work with the external auditor during their review to group them appropriately and to subsequently record the pass-through amounts.

Repeat Finding:

No

Recommendation:

We recommend the City review its process for identifying and reporting subrecipient activities.

Views of Responsible Officials and Planned Corrective Actions:

There is no disagreement with the audit finding and the City will review and refine its process for identifying and reporting subrecipient activities to ensure appropriate compliance.

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Major Federal Award Program Audit

Reference Number:	2024 – 003
Federal Agency:	Department of Health and Human Services
Federal Program Name:	HeadStart
Assistance Listing Number:	93.600
Federal Award Identification Number and Year:	03CH011220-04-00, 2023 03CH011220-05-00, 2024
Award Period:	9/1/2022-8/31/2023 9/1/2023-8/31/2024
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Material Weakness in Internal Control over Compliance, Material Noncompliance

Criteria or Specific Requirement:

Compliance: Per 2 CFR 200 § 200.332(a)1 (d) a non-Federal entity should monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

Internal Control:

Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Department of Community and Human Services (DCHS) did not provide documentation to support monitoring of the subrecipient’s activities.

Questioned Costs:

None

Context:

DCHS has one sub awardee and issued a subaward in the amount of \$2,822,089.

Cause:

DCHS’ procedures did not maintain supporting documentation of subrecipient monitoring activities.

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Major Federal Award Program Audit (Continued)

Reference Number: 2024 – 003 (Continued)

Compliance Requirement: Subrecipient Monitoring

Effect:

DCHS was unable to provide evidence they were in compliance with subrecipient monitoring requirements.

Repeat Finding:

No

Recommendation:

We recommend that DCHS enhance procedures to ensure that sub recipient monitoring activities are documented, and evidence of compliance readily available for review.

Views of Responsible Officials:

There is no disagreement with the audit finding and new personnel in the Department of Community and Human Services will ensure that all required monitoring is performed and documented in a timely manner.

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Major Federal Award Program Audit (Continued)

Reference Number:	2024 – 004
Federal Agency:	Department of Health and Human Services
Federal Program Name:	HeadStart
Assistance Listing Number:	93.600
Federal Award Identification Number and Year:	03CH011220-04-00, 2023 03CH011220-05-00, 2024
Award Period:	9/1/2022-8/31/2023 9/1/2023-8/31/2024
Compliance Requirement:	Reporting: Federal Funding Accountability and Transparency Act
Type of Finding:	Material Weakness in Internal Control over Compliance, Material Noncompliance

Criteria or Specific Requirement:

Compliance: Per the Federal Funding Accountability and Transparency Act (FFATA), prime (direct) recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Internal Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Major Federal Award Program Audit (Continued)

Reference Number: 2024 – 004 (Continued)

Compliance Requirement: Reporting: Federal Funding Accountability and Transparency Act

Condition:

The Department of Community and Human Services (DCHS) did not report subaward information to the FFATA Subaward Reporting System (FSRS) in accordance with Federal Funding Accountability and Transparency Act (FFATA) requirements. As the prime award recipient DCHS is responsible for ensuring that all reporting requirements are met within the required timeframe.

Context:

The sole fiscal year 2024 subaward issued by DCHS was not reported to FSRS. In addition, the Department was unable to produce documentation supporting their review and approval of the tested FFATA reports prior to submission in the FSRS system.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
1	1	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$2,822,089	\$2,822,089	0	\$0	\$0

Cause:

DCHS' procedures and internal controls were not sufficient to ensure that the subaward reporting requirement was performed within the requirement time frame.

Effect:

DCHS is not in compliance with the FFATA reporting requirement.

Questioned Costs:

None.

Recommendation:

We recommend that DCHS review procedures and internal controls to ensure that the required subawards are reported timely and accurately to FSRS no later than the end of the month following the month of issuance of each subaward. Documentation of supporting compliance should be readily available for review.

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Major Federal Award Program Audit (Continued)

Reference Number: 2024 – 004 (Continued)
Compliance Requirement: Reporting: Federal Funding Accountability and Transparency Act

Views of Responsible Officials:

There is no disagreement with this finding. The reporting has been completed. New employees will be trained in the procedures and internal controls to ensure that the required subawards are reported timely and accurately to FSRS no later than the end of the month following the month of issuance of each subaward. Documentation will be available for review during the audit period.

Reference Number: 2024 – 005
Federal Agency: Department of Health and Human Services
Federal Program Name: Coronavirus State and Local Fiscal Recovery Fund
Assistance Listing Number: 21.027
Federal Award Identification Number and Year: N/A, 2024
Award Period: 7/1/2023-6/30/2024
Compliance Requirement: Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or Specific Requirement:

Compliance: 2 CFR section 200.318, which include oversight of contractors' performance, maintaining written standards of conduct for employees involved in contracting, awarding contracts only to responsible contractors, and maintaining records to document history of procurements. 2 CFR 200.213 Suspension and Debarment restricts awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities:

- a) Checking SAM Exclusions; or
- b) Collecting a certification from that person; or
- c) Adding a clause or condition to the covered transaction with that person.

Internal Control:

Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**CITY OF ALEXANDRIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Major Federal Award Program Audit (Continued)

Reference Number: 2024 – 005 (Continued)

Compliance Requirement: Suspension and Debarment

Condition:

The City was unable to provide documentation of a vendor's suspension and debarment status. The City is required to review and document a vendor's suspension and debarment status prior to contracting with the vendor. We noted that the City did not document the vendor's status in accordance with the federal requirements.

Questioned Costs:

None

Context:

Two of the two vendors selected for the fiscal year 2024 testing did not have evidence of the vendor's suspension and debarment status prior to the contract date.

Cause:

The contractors selected for testing were not updated to include the suspension and debarment clause.

Effect:

The City is unable to document compliance with suspension and debarment status prior to contracting with the vendor.

Repeat Finding:

No

Recommendation:

We recommend that the City review and enhance current procedures to ensure that the vendor's suspension and debarment status is documented prior to contracting with the vendor.

Views of Responsible Officials:

There is no disagreement with the audit finding and new personnel in the Department of Community and Human Services will ensure that all required monitoring is performed and documented in a timely manner.

