

**CITY OF RICHMOND, VIRGINIA**  
**REPORT ON SINGLE AUDIT**  
**JUNE 30, 2024**



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**CITY OF RICHMOND, VIRGINIA  
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JUNE 30, 2024**

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

The Honorable Members of the City Council  
City of Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Richmond, 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 January 23, 2025. Our report includes a reference to other auditors who audited the financial statements of the following discretely presented component units: Richmond School Board, Richmond Economic Development Authority, Richmond Redevelopment and Housing Authority, and Richmond Behavioral Health Authority, as described in our report on the City's financial statements. We also did not audit the financial statements of the Richmond Retirement System, which was included in the aggregate remaining fund information, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Richmond Retirement System were not audited in accordance with *Government Auditing Standards*.

**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 City'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.

The Honorable Members of the City Council  
City of Richmond, 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.

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

### **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 of Richmond's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were 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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
January 23, 2025



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

The Honorable Members of the City Council  
City of Richmond, Virginia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Richmond, 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 Richmond School Board, Richmond Ambulance Authority, Richmond Redevelopment and Housing Authority, Economic Development Authority, and Richmond Retirement System. These component units have been excluded from the accompanying schedule of expenditures of federal awards during the year ended June 30, 2024. Our audit, described below, did not include the operations of Richmond School Board, Richmond Ambulance Authority, Richmond Redevelopment and Housing Authority, Economic Development Authority and Richmond Retirement System because these component units engaged other auditors to perform an audit in accordance with Title 2 U.S. *Code of Federal Regulations for Federal Awards*, where applicable.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

***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.

## **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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

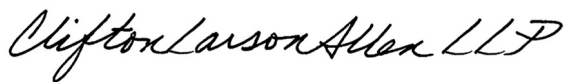
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. *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 items 2024-002, to be significant deficiencies.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the 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 January 23, 2025, 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 City's financial statements include the operations of Richmond School Board, Richmond Ambulance Authority, Richmond Redevelopment and Housing Authority, Economic Development Authority and Richmond Retirement Systems for the year ended June 30, 2024. The federal expenditures, where applicable, for Richmond School Board, Richmond Ambulance Authority, Richmond Redevelopment and Housing Authority, Economic Development Authority and Richmond Retirement System are not included in the schedule of expenditures of federal awards. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
March 26, 2025



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

Federal Grantor/Pass Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>				
Passed Through Mercy Hurst University High Intensity Drug Trafficking Agency	07.999	2023TXRICHMOND	\$ -	94,996
Passed Through Cal Ripken Sr. Foundation High Intensity Drug Trafficking Agency	07.999	2022TXRICHMOND	-	104
Total High Intensity Drug Trafficking Agency			-	95,100
<b>TOTAL OFFICE OF NATIONAL DRUG CONTROL</b>			-	<b>95,100</b>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
<b>Direct Payments:</b>				
Community Compost and Food Waste Reduction	10.935	USDA-NRCS-NHQ-CCFWR- 21-NOFO0001112	-	17,852
Richmond Grows Gardens	10.935	NR2333A7XXXXC001	-	3,032
Total Urban Agriculture and Innovative Production Grants Program			-	20,884
<b>Passed Through Virginia Department of Education:</b>				
Child Nutrition Cluster:				
FY20 Summer Food Service Program	10.559	None provided	-	380,028
Total Child Nutrition Cluster:			-	380,028
<b>Passed Through Virginia Department of Social Services:</b>				
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Laser Report	-	6,006,283
Total SNAP Cluster			-	6,006,283
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			-	<b>6,407,195</b>
<b>U.S. DEPARTMENT OF COMMERCE</b>				
<b>Direct Payments:</b>				
The Richmond Environment: Students as Teachers	11.457	NA21NMF4570487	-	45,991
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>			-	<b>45,991</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b>Direct Payments:</b>				
Community Development Block Grant Cluster				
Community Development Block Grant Program:				
Entitlement Grants (CDBG)	14.218	B22MC510019	2,645,519	4,339,343
COVID-19 Community Development Block Grant - CV	14.218	B-20-MW-51-0019	60,000	60,000
Total Community Development Block Grant Cluster			2,705,519	4,399,343
Emergency Shelter Grant Program (ESG)	14.231	E23-MC-51-0004	382,303	404,303
Home Program:				
Home Investment Partnerships Program (HOME)	14.239	M-22-MC-51-0205	527,676	695,718
HOME - ARP Special Fund	14.239	M-21-MP-51-0205	-	238
Total Home Investment Partnership Program (HOME)			527,676	695,956
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	VAH23-F001	1,315,543	1,790,013
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>4,931,040</b>	<b>7,289,615</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<b>Direct Payments:</b>				
Dementia & Developmental Disabilities	16.015	15PBJA-22-GG-04726-CVIP	-	67,415
Gun Violence Prevention & Intervention Grant	16.045	15PBJA-22-GG-04726-CVIP	-	109,323
BJA State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05469-SCAA	-	142,411

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

Federal Grantor/Pass Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE (CONTINUED)</b>				
<b>Direct Payments (Continued):</b>				
2021 Community Policing Development - "Microgrants"	16.710	15JCOPS-21-GG-02301-SPPS	\$ -	36,136
2021 Community Policing Development - DEI	16.710	15JCOPS-22-GG-04514-PPSE	-	51,624
Total Community Policing Development			-	87,760
PREA Standards	16.735	2020-RP-BX-0012	-	84,605
Richmond Retooled Comprehensive Second Chance Reentry Program	16.812	2018-CZ-BX-0019	-	57,064
FY21 2nd Chance Act Re-Entry Grant	16.812	15PBJA-21-GG-04037-SCAX	-	183,189
Total Reentry Program			-	240,253
Byrne JAG Grant PS Program COR Restorative Justice	16.738	2018-DJ-BX-0728	-	1,560
FY19 Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2019-DJ-BX-0774	-	2,910
FY2021 Edward Byrne Justice Assistance Grant (JAG)	16.738	15PBJA-21-GG-01941-JAGX	-	33,269
FY22 Edward Byrne Justice Assistance Grant (JAG)	16.738	15BJA-22-GG-02130-JAGX	-	84,820
Total Edward Byrne Justice Assistance Grant (JAG) Program			-	122,559
Grant (JAG) Program	16.835	15BJA-21-GG-04452-BWCX	-	100,000
<b>Passed Through Virginia Department of Criminal Justice Services:</b>				
Victim Witness Services	16.575	23-01193VG19	-	1,650
Victim Witness Services	16.575	21-A8585VG19	-	458
Victim Witness Services	16.575	24-01193VG20	-	473,108
Total Victim Witness Services Program			-	475,216
Juv. Justice & Delinquency Prevention - Peer Justice	16.540	2018-JX-FX-0016	-	69,901
VA Youth Violence & Substance Use Grant	16.540	521709	-	100,000
Total Juvenile Justice and Delinquency PreventionProgram			-	169,901
DCJS RVA League for Safer Streets	16.609	506195	-	35,181
<b>Passed Through Virginia Office of Attorney General:</b>				
OAG Community-Based Crime Reduction (CBCR)	16.817	N/A	-	209,567
<b>Passed Through Richmond Behavioral Health Authority:</b>				
CCBHD - RBHA	16.745	BJA-2019-15099	-	69,454
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			-	<b>1,913,645</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<b>Passed Through Virginia Department of Transportation:</b>				
Highway Planning and Construction (Capital Projects) -	20.205	290-8130 TRAFFIC SAFETY	-	15,728,163
<b>Passed Through Virginia Division of Motor Vehicles:</b>				
Highway Safety Cluster				
Selective Enforcement - Police Traffic Services	20.600	BPT-2024-54051-24051	-	82,413
State and Community Highway Safety	20.600	BPT-2023-53164-23164	-	18,676
FY23 Selective Enforcement - Pedestrian	20.600	SPS-2023-53151-23151	-	2,763
Total Highway Safety Cluster			-	103,852
Alcohol Open Container Requirements	20.607	ENF-AL-2024-54198-24198	-	35,867
Alcohol Open Container Requirements	20.607	ENF-AL-2023-53160-23160	-	20,469
Total Alcohol Open Container Requirements			-	56,336
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			-	<b>15,888,351</b>

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

Federal Grantor/Pass Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
Direct Payment:				
Brownfields Coalition Assessment	66.818	96368501-0	\$ -	132,120
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			-	<b>132,120</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed Through Mercy Hurst University:				
RADTC - SAMHSA18 Grant	93.243	5H79TI081026-05	-	74,971
Human Services Integration Grant	93.493	90XP0485-01-00	-	857,000
Total Adult Drug Court			-	931,971
Passed Through Virginia Department of Social Services:				
KinGAP	93.090	RSDSS LASER	-	19,169
IV-E Prevention Services	93.472	RSDSS LASER	-	59,946
Promoting Safe and Stable Families	93.556	RSDSS LASER	-	169,033
Temporary Assistance for Needy Families	93.558	RSDSS LASER	-	3,302,281
Healthy Families Virginia	93.558	FAM-21-083A-25	-	290,907
2024 VDSS TANF Special Funds	93.558	2301VATANF	-	35,000
2024 VDSS Sole Source Special Funds	93.558	2301VATANF	-	62,647
Total Temporary Assistance for Needy Families			-	3,690,835
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	RSDSS LASER	-	17,142
Low-Income Home Energy Assistance	93.568	RSDSS LASER	-	829,634
Child Care and Development Fund Cluster:				
Child Care Mandatory and Matching Funds	93.596	RSDSS LASER	-	769,677
Total Child Care and Development Fund Cluster			-	769,677
Chafee Education and Training Vouchers Program (ETV)	93.599	RSDSS LASER	-	29,454
Stephanie Tubbs Jones Child Welfare Services Program	93.645	RSDSS LASER	-	3,033
Foster Care Title IV E	93.658	RSDSS LASER	-	2,224,437
Adoption Assistance - Title IV-E	93.659	RDSS LASER	-	2,960,231
Social Service Block Grant (SSBG),	93.667	RDSS LASER	-	3,294,104
Chafee Foster Care - Independent Living & Administrative	93.674	RDSS LASER	-	48,877
Children's Health Insurance Program	93.767	RDSS LASER	-	58,787
Medicaid Cluster				
Medical Assistance Program	93.778	RDSS LASER	-	4,796,115
Total Medicaid Cluster			-	4,796,115
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			-	<b>19,902,445</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>				
Passed Through Virginia Department of Social Services:				
FY2022 AmeriCorps RHOPE	94.006	CVS-21-047-05	-	106
AmeriCorps RHOPE	94.006	CVS-22-066-06	-	350,787
Total AmeriCorps			-	350,893
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE TOTAL</b>			-	<b>350,893</b>

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

Federal Grantor/Pass Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<b>Direct Payments:</b>				
2020 Assistance to Firefighters Grants (AFG)	97.044	EMW-2020-FG-10596	\$ -	40,830
FY22 FEMA Fire Prevention and Safety (FP&S) Grant	97.044	EMW-2022-FP-00178	-	107,362
Total Assistance to Firefighters Grant			-	148,192
SAFER Grant - Fire Staffing	97.083	EMW-2021-FF-00797	-	6,048,428
<b>Passed Through Virginia Department of Emergency Management:</b>				
FFY23 LEMPG	97.042	EMP-2023-EP-00006	-	2,459
RPD Bomb Squad Equipment Replacement	97.067	EMW-2022-SS-00082	-	35,176
Total VDEM Program			-	37,635
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY TOTAL</b>			-	<b>6,234,255</b>
<b>U.S. DEPARTMENT OF TREASURY:</b>				
<b>Direct Payment:</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Various	1,496,142	36,934,867
<b>Passed Through Virginia Office of Attorney General:</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Police Officer Safety	21.027	22-ARPA0005	-	299,845
<b>Passed Through Virginia Department of Environmental Quality:</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds DPU ARPA-Wastewater	21.027	SLFRP1026	-	22,695,713
<b>Passed through Virginia Department of Criminal Justices:</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Community-Based Gun Violence Intervention Program	21.027	495984	-	113,672
COVID-19 Coronavirus State and Local Fiscal Recovery Funds DCJS ARPA Law Enforcement Equipment & Technology	21.027	504678	-	476,057
<b>Passed through Virginia Tourism:</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Richmond Regional Tourism	21.027	Various	284,054	284,054
Total Coronavirus State and Local Fiscal Recovery Funds			1,780,196	60,804,208
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<b>1,780,196</b>	<b>60,804,208</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>119,063,818</b>

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

**NOTE 1 BASIS OF PRESENTATION**

**Organization**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the primary government of the City of Richmond, Virginia (the City), and is presented on the modified-accrual basis of accounting. Federal awards of component units of the City reporting entity are not included in this Schedule.

The information in this Schedule is also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Expenditures of federal award grant funds are made for the purposes specified by the grantor, and are subject to certain restrictions. Expenditures are also subject to audit by the relevant federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of the City.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST**

The City did not elect to use the 10% de minimis cost rate for indirect costs.

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

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

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

***Federal Awards***

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

***Identification of Major Federal Programs***

CFDA Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.778	Medicaid Cluster

Dollar threshold used to determine Type A programs: \$3,000,000

Auditee qualified as low-risk auditee?     x     yes            no

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

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***Section II – Financial Statement Findings***

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**2024-001 – Adjustments to Financial Statements Related to Pension Debt Issuance and Related Contribution**

**Type of Finding:** Material Weaknesses in Internal Control over Financial Reporting

**Condition:**

During the finalization of the financial statements, several adjustments were identified to correct the statements. One significant adjustment involved the issuance of debt and the related contribution to the pension plan. Due to the pension plan's employer actuarial valuation being based on a measurement date with a one-year lag, as permitted by accounting standards, the contributions to the pension plan from the proceeds of the pension debt issued needed to be deferred in the employer's financial statements.

**Criteria or specific requirement:**

Employer contributions made after the measurement date of the actuarial valuation but before the reporting date should be reported as deferred outflows of resources. This ensures that the financial statements accurately reflect the timing of contributions and their impact on the net pension liability. This would include contribution made from the proceeds of debt.

**Effect:**

The financial statements may not accurately reflect the true financial position of the entity. Contributions that should be reported as deferred outflows of resources would instead be incorrectly included in the current period's expenses, leading to an understatement of net position.

**Cause:**

The condition occurred because, when dealing with unusual or atypical transactions, further investigation was needed into the relevant accounting standards. Additionally, consulting with accounting experts would have been beneficial to ensure accurate application of the principles.

**Recommendation:**

To ensure accurate accounting for unusual or atypical transactions, it is recommended that a thorough investigation into the relevant accounting standards be conducted. Additionally, consulting with accounting experts or professionals should be considered to verify the correct application of these standards.

**Views of responsible officials and planned corrective action:**

Management agrees with the finding and acknowledges the importance of thorough investigation and consultation when accounting for unusual or atypical transactions. Conversations have already been held within the department to ensure that such matters are promptly elevated for further research and consultation with accounting experts.

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

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***Section III – Federal Award Findings and Questioned Costs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



