

**CITY OF ALEXANDRIA SINGLE AUDIT  
SINGLE AUDIT REPORT  
YEAR ENDED JUNE 30, 2025**



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**CITY OF ALEXANDRIA SINGLE AUDIT  
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YEAR ENDED JUNE 30, 2025**

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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, 2025, 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 15, 2025.

This report does not include the results of our testing of internal control over financial reporting or compliance and other matters for Alexandria Public Schools as we have issued separate reports for these entities.

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 2025-001 and 2025-002 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 15, 2025, except for finding 2025-002, as to which the date is March 25, 2026



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

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

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

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

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, 2025. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2025.

***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.

***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

The City’s basic financial statements include the operations of the Alexandria Library, which expended federal awards that are not included in City’s schedule of expenditures of federal awards during the year ended June 30, 2025. Our compliance audit, described in the Opinion on Each Major Federal Program, does not include the operations of the Alexandria Library because other auditors were 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 is described in the accompanying schedule of findings and questioned costs as items 2025-003 and 2025-005. Our opinion on each major federal program is not modified with respect to these matter.

*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. 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 2025-003, 2025-004 and 2025-005 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.

*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.

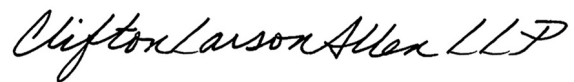
Honorable Mayor and Members of the City Council  
City of Alexandria, Virginia

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated December 15, 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 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 basic 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 25, 2026

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture Programs</b>				
Pass-Through Payments:				
Department of Agriculture and Consumer Services (301 535-06):				
Food Insecurity Nutrition Incentive - FINI-DCHS	10.331		\$ -	\$ 25,910
Compost and Food Waste Reduction - USDA CFWR Cooperative	10.935	USDA/NRCS	-	50,124
Virginia State Department of Education (197 457-07)				
Child Nutrition Cluster:				
School Breakfast Program	10.553		-	2,010,092
School Lunch Program	10.555		-	6,175,289
CN-SNP COIVE Emergency Cost - Schools	10.555	Program # 403120	-	307,745
Department of Agriculture and Consumer Services (301 535-06):				
National School Lunch Program - Schools	10.555	Agency # 00 480	-	1,040,527
Subtotal 10.555			-	7,523,561
Commodity Food Distribution - Schools	10.559	Program # 403111	-	153,681
Fresh Fruits and Vegetable Program - Schools	10.582		-	100,293
Subtotal Child Nutrition Cluster			-	9,787,627
SNAP Cluster:				
State Administrative Matching for Supplemental Nutrition Assistance Program	10.561	Laser	-	4,045,377
Total SNAP Cluster			-	4,045,377
Virginia State Department of Education (197 457-07)				
Child and Adult Care Food Program - Schools	10.558		-	160,333
SFSP- SAF- Receipt Development	10.560		-	10,098
Total U.S. Department of Agriculture Programs			-	14,079,469
<b>U.S. DEPARTMENT OF COMMERCE</b>				
Pass-Through Payments:				
Department of Agriculture and Consumer Services (301 535-06):				
Smart Mobility Implementation -NIST / CIPP / USDoC	11.617	State Allocation	-	48,150
Total U.S. Department of Commerce			-	48,150
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass Through Payments:				
Virginia State Department of Education				
Adult Literacy Services- Federal	84.002	Omega-State Allocation	157,535	157,535
Title 1 Grants to Local Educational Agencies	84.010	Omega-State Allocation	-	4,771,100
Title I State Agency Program for Neglected and Delinquent Children	84.013	Omega-State Allocation	-	4,500
Special Education Grants to States	84.027	Omega-State Allocation	-	4,300,934
Special Education_Grants to States Supplemental Secondary Transition Grant	84.027A	Omega-State Allocation	-	285
Career and Technical Education-- Basic Grants to States	84.048	Omega-State Allocation	-	330,221
Special Education Preschool Grants	84.173	Omega-State Allocation	-	103,255
Migrant Education High School Equivalency Program (HEP) - MH/MR/SA	84.181	State Allocation	-	161,794
Education for Homeless Children and Youth	84.196	Omega-State Allocation	-	77,751
Twenty-First Century Community Learning Centers	84.287	Omega-State Allocation	-	971,900
English Language Acquisition Grants	84.365	Omega-State Allocation	-	626,554
Improving Teacher Quality State Grants	84.367	Omega-State Allocation	-	918,554
Student Support and Academic Enrichment Grants	84.424	Omega-State Allocation	-	379,795
Subtotal Department of Education Cluster:			157,535	12,804,178
Coronavirus Aid, Relief, and Economic Security Act Cluster:				
Elementary and Secondary School Emergency Relief Fund III	84.425U	State Allocation	-	5,679,828
Emergency Relief Fund III for Homeless Children and Youth	84.425W	State Allocation	-	38,963
Subtotal Education Stabilization (ESF):			-	5,718,791
Total U.S. Department of Education			157,535	18,522,969
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Direct Payments:				
Administration for Children, Youth and Families				
Affordable Care Act (ACA) Personal	93.092	n/a	-	586,531
Substance Abuse and Mental Health Services	93.243	n/a	-	35,201
Block Grant for Community Mental Health Services	93.958	n/a	-	321,944
Head Start - Cluster	93.600	n/a	2,907,574	2,907,574
Total Direct Payments			2,907,574	3,851,250

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, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Catalog Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Pass Through Payments: State of Virginia				
Trans-NIH Research Support - Schools	93.310	State Allocation	-	152,726
Department of Health:				
Injury Prevention and Control Research and State and Community Based	93.136	State Allocation	-	20,350
NACCHO Disabilities	93.421	State Allocation	-	46,586
Every Student Succeeds Act/Federal Preschool Development Grant - DCHS	93.434	State Allocation	-	493,551
Department of Mental Health and Mental Retardation				
State Health Insurance Assistance Program	93.324	State Allocation	-	72,779
Block Grant for Community Mental Health Services - MH FBG SMI	93.958	State Allocation	-	1,363,823
Projects for Assistance in Transition from Homelessness	93.150	State Allocation	-	104,374
Block Grant for Prevention and Treatment of Substance Abuse	93.959	State Allocation	-	1,670,461
Department for the Aging:				
Aging Cluster:				
Special Programs for the Aging_Title III Part D_Disease Prevention and Health Promotion Services	93.043	State Allocation	-	13,503
Special Programs for the Aging_Title III Part B Supportive Svces and Senior Centers	93.044	State Allocation	-	114,025
Special Programs for the Aging Adult Day Health Care Svces	93.044	State Allocation	-	72,753
Subtotal 93.044			-	186,778
Special Programs for the Aging Title IIIC - Nutritional Services	93.045	State Allocation	-	332,476
Total Aging Cluster:			-	532,757
Department of Social Services:				
Title IV-E Prevention Program	93.472	Laser	-	65,983
Promoting Safe and Stable Families	93.556	Laser	-	30,571
Temporary Assistance for Needy Families - Shelter for Woman	93.558	State Allocation	-	6,307
Temporary Assistance for Needy Families	93.558	Laser	-	1,319,083
Subtotal 93.558			-	1,325,390
Family Support Payments to States	93.667	State Allocation	-	181,424
Family Support Payments to States - CSBG TANF-EA	93.667	Laser	-	1,164,675
Subtotal 93.667			-	1,346,099
Adoption Incentive Funds	93.603	Laser	-	5,818
Child Welfare Services State Grant	93.645	Laser	-	5,774
Child Care and Development Block Grant - Schools	93.575	State Allocation	-	19,822
Refugee Cash Assistance	93.566	Laser	-	279,007
Refugee Cash Assistance - ACPS	93.566	State Allocation	-	112,812
Subtotal 93.566			-	391,819
Community Services Block Grant	93.569	State Allocation	-	103,709
Low Income Home Energy Assistance	93.568	Laser	-	213,543
Child Care Cluster:				
Guardianship Assistance (children & Families) - GAP	93.090	Laser	-	6,499
Child Care Mandatory and Matching Funds of the Childcare and Development Fund	93.596	Laser	-	244,059
Total Child Care Cluster:			-	250,558
Medical Cluster:				
Foster Care Title IV - E	93.658	Laser	-	1,234,955
Adoption Assistance	93.659	Laser	-	1,545,005
Adoption Assistance	93.659	Treasury Deposit	-	4,500
Subtotal 93.659			-	1,549,505
Chafee Foster Care Independence Program	93.674	Laser	-	16,114
Adult Protective Services	93.747	Laser	-	32,000
Children's Health Insurance Program	93.767	Laser	-	44,242
Medical Assistance Program	93.778	Laser	-	3,430,465
Opioid STR	93.788	State Allocation	-	156,790
Total Medical Cluster:			-	6,464,071
Total Pass Through Payments			-	14,680,564
Total U.S. Department of Health and Human Services			2,907,574	18,531,814
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Pass Through Payments				
Virginia Department of Fire Programs				
Emergency Management Performance Grants	97.042	State Allocation	-	73,065
Assistance to Firefighters Grant	97.044	State Allocation	-	600,000
Homeland Security Grant Program	97.067	State Allocation	-	150,501
Total Pass Through Payments			-	823,566
Total U.S. Department of Homeland Security			-	823,566

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, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Catalog Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Payments:				
Continuum of Care Program	14.267	n/a	-	93,057
Community Development Block Grant Program, Entitlement Grants-Housing	14.218	n/a	-	1,287,660
Community Development Block Grant Program, Entitlement Grants-DCHS	14.218	n/a	-	74,622
Subtotal 14.218			-	1,362,282
Supportive Housing Program - DCHS	14.235	n/a	-	149,257
HOME ARP Grant Program	14.239	n/a	1,500,000	2,020,125
Home Investment Partnerships Program	14.239	n/a	-	42,680
HOME - HOF - Rehabilitation	14.239	n/a	355,000	464,093
Subtotal 14.239			1,855,000	2,526,898
Total Direct Payments			1,855,000	4,131,494
Total U.S. Department of Housing and Urban Development			1,855,000.00	4,131,494
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Direct Payments:				
Drug Court Discretionary Grant Program	16.585	n/a	-	29,829
Edward Byrne Memorial JAG grant	16.738	n/a	-	31,597
Byrne Discretionary	16.753	n/a	-	550,178
Total Direct Payments			-	611,604
Pass Through Payments:				
Department of Criminal Justice Services (140-390-01)				
Sexual Assault Services Formula Program	16.017	State Allocation	-	53,446
Missing Children's Assistance	16.543	State Allocation	-	3,944
Mentor University Grant - DOJ - VDCJS - DCJS - RCPS	16.540	State Allocation	-	23,858
Youth Gang Prevention - DOJ - VDCJS - DCJS	16.544	State Allocation	-	1,050
Crime Victim Assistance -DCHS-SADVGP- VDCJS	16.575	State Allocation	-	422,958
Violence Against Women Formula Grants -VW-DCJS-SOGA	16.588	State Allocation	-	231,370
Violence Against Women Formula Grants -VSTOP Sara	16.588	State Allocation	-	50,000
Violence Against Women Formula Grants - VSTOP Domestic Violence - DCJS	16.588	State Allocation	-	29,285
Subtotal 16.588			-	310,655
Office of Violence Against Women (OVW)-DCHS	16.888	State Allocation	-	218,372
Total Pass Through Payments			-	1,034,283
Total U.S. Department of Justice			-	1,645,887
<b>U.S. DEPARTMENT OF LABOR</b>				
Pass Through Payments:				
Department of Labor Industry				
Workforce Investment Ace Cluster:				
WIA Adult Program	17.258	LWA 12-09	-	170,008
WIA Youth Activities	17.259	LWA 12-09	-	360,757
WIOA Dislocated Workers	17.278	LWA 12-09	-	185,353
Total Workforce Investment Ace Cluster:			-	716,118
Total Pass Through Payments			-	716,118
Total U.S. Department of Labor			-	716,118
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Pass Through Payments:				
Virginia Department of Transportation				
HPCC Cluster:				
Highway Planning and Construction - DRPT	20.205	State Allocation	-	475,431
Highway Planning and Construction - VDOT - CIP	20.205	State Allocation	-	1,745,884
Subtotal 20.205			-	2,221,315
Total HPCC Cluster:			-	2,221,315
Federal Transit Cluster:				
Federal Transit_Capital Investment Grants - NVTC	20.500	State Allocation	-	879,037
Subtotal Federal Transit Cluster:			-	879,037
State and Community Highway Safety - DMV	20.600	State Allocation	-	5,564
State and Community Highway Alcohol Open Container Requirements - DMV	20.607	State Allocation	-	15,850
State and Community Highway Traffic Service - DMV	20.616	State Allocation	-	2,968
Total Pass through payments			-	3,124,734
Total U.S. Department of Transportation			-	3,124,734

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, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Catalog Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TREASURY</b>				
Direct Payments:				
Coronavirus State And Local Fiscal Recovery Funds - CSLFRF (ARPA)	21.027	ARPA-CSLFRF	369,048	1,286,500
Total Direct Payments			<u>369,048</u>	<u>1,286,500</u>
Pass Through Payments				
Virginia Department of Treasury				
Coronavirus State And Local Fiscal Recovery Funds - CSLFRF (ARPA) VDCJS	21.027	State Allocation	-	91,302
Total Pass through payments			<u>-</u>	<u>91,302</u>
Pass Through Payments				
Virginia Department of Education				
Coronavirus State and Local Fiscal Recovery Fund - Schools	21.027	State Allocation	-	65,929
Total Pass through payments			<u>-</u>	<u>65,929</u>
Subtotal 21.027			<u>-</u>	<u>1,443,731</u>
Total U.S. Department of Treasury			<u>369,048</u>	<u>1,443,731</u>
<b>U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</b>				
Direct Payments:				
Employment Discrimination_State and Local Fair Employment Practices Agency Contracts	30.002	n/a	-	13,199
Total Direct Payments			<u>-</u>	<u>13,199</u>
Total U.S. Equal Employment Opportunity Commission			<u>-</u>	<u>13,199</u>
<b>U.S. NATIONAL ENDOWMENT FOR THE HUMANITIES</b>				
Direct Payments:				
Museum Grants for African American History and Culture (2022)	45.309	AAHC-FY22	-	79,710
Total Direct Payments			<u>-</u>	<u>79,710</u>
Total U.S. National Endowment for the Humanities			<u>-</u>	<u>79,710</u>
<b>U.S. NATIONAL ENDOWMENT FOR THE ARTS</b>				
Direct Payment:				
Promotion of the Arts_Grants to Organizations and Individuals	45.024	DUS5BPME67V8	-	75,000
Total Direct payments			<u>-</u>	<u>75,000</u>
Total U.S. National Endowment for the Arts			<u>-</u>	<u>75,000</u>
<b>OTHER FEDERAL AID</b>				
Direct Payments:				
High Intensity Drug Trafficking Area	98.473	n/a	-	467,032
Total Direct Payments			<u>-</u>	<u>467,032</u>
Total Other Federal			<u>-</u>	<u>467,032</u>
Total Federal Expenditures			<u>\$ 5,289,157</u>	<u>\$ 63,702,873</u>

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, 2025**

**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 2025. 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.

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 de minimis indirect cost rate allowed under the Uniform Guidance.

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

The City receives and expends federal revenues that are nongrant 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	\$ 63,702,873
Nonreportable Federal Revenue	7,732,873
Total Federal Revenue per Note 12	<u>\$ 71,435,746</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**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 5    LOAN PROGRAMS**

The City participates in the Home Investment Partnerships (HOME) (ALN #14.239) and Community Development Block Grant (CDBG) (ALN #14.218) federal loan programs. The loan programs maintained by the City contain no continuing compliance requirements, other than the repayment of the loan balances and compliance with program income restrictions.

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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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? \_\_\_\_\_ 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? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ 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)?   x   yes      \_\_\_\_\_ no

**Identification of Major Federal Programs**

Major Program	Assistance Listing Number	Opinion
Child Nutrition Cluster	10.553, 10.555, 10.559, 10.582	Unmodified
Home Investment Partnerships Program	14.239	Unmodified
Highway Planning and Construction	20.205	Unmodified
Title 1 Grants to Local Educational Agencies	84.010	Unmodified
Education Stabilization Fund	84.425	Unmodified
Head Start Cluster	93.600	Unmodified

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

\$1,911,086

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        x   no

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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***Section II – Financial Statement Audit***

---

**Finding 2025-001 – 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, investments, receivables, accounts payable, deferred inflows of resources and fixed assets.

**Effect:**

The City's 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:**

Yes, 2024-001

**Recommendation:**

We recommend that the City continue to strengthen its internal controls over financial 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, 2025**

---

***Section II – Financial Statement Audit (Continued)***

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***Views of Responsible Officials:***

The Accounting Department will implement the following to improve the internal controls over financial reporting to ensure the financial statements are in accordance with Generally Accepted Accounting Principles:

1. Hire a Financial Reporting Manager
2. Hire a General Accounting Manager
3. Consider delay of year end close process by 2 weeks to allow additional time to analyze and process adjusting journal entries related to investments, receivables, accounts payable and deferred inflows.
4. Review year-end close process with Pension Administrator to ensure all procedures are well documented.
5. Gain a full understanding of the fixed assets module via Tyler training.
6. Reconcile the fixed assets balances periodically throughout the year.

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

---

***Section II – Financial Statement Audit (Continued)***

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**Finding 2025-002 - 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) omitted expenditures and contained an error related to the amount provided to subrecipients.

**Criteria:**

2 CFR part 200.510(b) states that the auditee must prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements must include the total Federal awards expended. At a minimum, the schedule must:

- 1) Include the total amount provided to subrecipients from each Federal program.

Per 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F, §200.510(b) requires that auditees 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 as determined in accordance with §200.502 which states.

**Context:**

The City did not report subrecipient expenditures for the Home Investment Partnership Program (ALN # 14.239) in the amount of \$1,855,000. Additionally, the City omitted expenditures of \$220,000 from the SEFA for the program.

**Effect:**

The amount reported as expenditures and subrecipients expenditures on the SEFA was initially misstated; however, the amounts were subsequently corrected.

**Cause:**

The City manually tracks subrecipients and pass-through amounts during SEFA preparation and the amounts were omitted during preparation of the SEFA.

**Repeat Finding:**

Yes, 2024-002

**Recommendation:**

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

**Views of Responsible Officials:**

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

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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***Section III – Major Federal Award Program Audit***

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**Reference Number:** 2025 – 003  
**Federal Agency:** Department of Health and Human Services  
**Federal Program Name:** HeadStart  
**Assistance Listing Number:** 93.600  
**Federal Award Identification Number and Year:** 03CH011220-05-00, 2024  
03CH012856-01-00, 2025  
**Award Period:** 9/1/2023 to 8/31/2024  
9/1/2024 to 8/31/2025  
**Compliance Requirement:** Reporting: Federal Funding Accountability and  
Transparency Act  
**Type of Finding:** Significant Deficiency in Internal Control, Other  
Matter

**Criteria or Specific Requirement:**

*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).

*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.)

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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**Section III – Major Federal Award Program Audit (Continued)**

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**Condition:**

The Department of Community and Human Services (DCHS) did not report subaward information to the FFATA Subaward Reporting System (FSRS) in accordance with the 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.

**Questioned costs:**

None.

**Context:**

The fiscal year 2025 subaward issued by DCHS was not reported within the required time period. The subaward was dated 9/1/2024 which would require the department to submit for FFATA requirements by 10/30/2024. The award was not submitted until 2/26/2025.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing elements	key
1	0	1	0	0	
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing elements	key
\$2,918,630	\$0	\$2,918,630	\$0	\$0	

**Cause:**

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

**Effect:**

DCHS is not in compliance with the FFATA reporting requirement.

**Repeat Finding:**

Yes, 2024-004

**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.

**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.

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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**Section III – Major Federal Award Program Audit (Continued)**

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<b>Reference Number:</b>	2025 – 004
<b>Federal Agency:</b>	U.S. Department of Transportation
<b>Federal Program Name:</b>	Highway Planning and Construction
<b>Assistance Listing Number:</b>	20.205
<b>Pass-through Agency:</b>	Virginia Department of Transportation
<b>Pass-through Entity Number:</b>	State Allocation
<b>Federal Award Identification Number and Year:</b>	UPC 106807, 2020 UPC 106474, 2024
<b>Award Period:</b>	7/1/2024 to 6/30/2025
<b>Compliance Requirement:</b>	Suspension and Debarment
<b>Type of Finding:</b>	Significant Deficiency in Internal Control over Compliance

**Criteria or Specific Requirement:**

*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).

*Compliance:* Recipients and subrecipients are prohibited from contracting with or making subawards under covered transactions to parties that are suspended, or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a recipient or subrecipient enters into a covered transaction with an entity at a lower tier, the recipient or subrecipient must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by:

- (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at SAM.gov
- (2) collecting a certification from the entity, or
- (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

**Condition:**

The City was unable to provide documentation that the suspension and debarment verification was performed.

**Questioned Costs:**

None

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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***Section III – Major Federal Award Program Audit (Continued)***

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**Context:**

One of the five vendors selected for testing did not have evidence of the vendor's suspension and debarment status prior to the contract date.

**Cause:**

The City did not maintain documentation.

**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 the City will conduct additional training in this area for prime award recipients and for Purchasing staff. The City will also check for suspensions and debarment even if riding contracts from other jurisdictions.

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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**Section III – Major Federal Award Program Audit (Continued)**

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<b>Reference Number:</b>	2025 – 005
<b>Federal Agency:</b>	U.S. Department of Housing and Urban Development
<b>Federal Program Name:</b>	Home Investment Partnerships Program
<b>Assistance Listing Number:</b>	14.239
<b>Federal Award Identification Number and Year:</b>	M24-MC-51-0001, 2024
<b>Award Period:</b>	10/1/2023 to 9/30/2033
<b>Compliance Requirement:</b>	Subrecipient Monitoring
<b>Type of Finding:</b>	Significant Deficiency in Internal Control, Other Matter

**Criteria or Specific Requirement:**

*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).

*Compliance:* 2 CFR §200.332(a) - Requirements for Pass-Through Entities states, in part, that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward:

- (i) Subrecipient's name (must match the name associated with its unique entity identifier);
- (ii) Subrecipient's unique entity identifier;
- (iii) Federal Award Identification Number (FAIN);
- (iv) Federal Award Date;
- (v) Subaward Period of Performance Start and End Date;
- (vi) Subaward Budget Period Start and End Date;
- (vii) Amount of Federal Funds Obligated in the subaward;
- (viii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity, including the current financial obligation;
- (ix) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- (x) Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA);
- (xi) Name of the Federal agency, pass-through entity, and contact information for awarding official of the pass-through entity;
- (xii) Assistance Listings title and number; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at the time of disbursement;
- (xiii) Identification of whether the Federal award is for research and development; and
- (xiv) Indirect cost rate for the Federal award (including if the de minimis rate is used in accordance with § 200.414).

**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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***Section III – Federal Award Program Audit (Continued)***

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**Condition:**

The City did not furnish the information below to subrecipients at the time the subawards were issued:

- a. Federal Award Identification Number (FAIN)
- b. Subaward Budget Period Start and End Date
- c. Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA)
- d. Name of the Federal agency, pass-through entity, and contact information for awarding official of the pass-through entity
- e. Assistance Listings title and number
- f. the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at the time of disbursement
- g. Identification of whether the Federal award is for research and development.

**Questioned Costs:**

None

**Context:**

The City failed to include the required information as noted above in the subrecipient agreements.

**Cause:**

The City failed to include all required information in the subrecipient agreements.

**Effect:**

Excluding required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about program-specific regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in subrecipients' Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

**Repeat Finding:**

No

**Recommendation:**

The City should review and enhance its internal controls and procedures to ensure that all required information is included in subawards at the time of issuance and maintained in subsequent modifications.

**Views of Responsible Officials:** There is no disagreement with the audit finding and the City will undertake additional training for departments in FY 2026, to include providing departments with a grants responsibility checklist.



DEPARTMENT OF FINANCE  
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## **FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

### Department of Health and Human Services

2025-003 HeadStart – Assistance Listing No. 93.600

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.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to 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.

Name(s) of the contact person(s) responsible for corrective action: Noah Abraham, DCHS Operations Director.

Planned completion date for corrective action plan: Complete

### Department of Transportation

2025-004 Highway Planning and Construction – Assistance Listing No. 20.205

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.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City's Transportation Department erroneously thought the City's Purchasing Department performed the suspension and debarment check. Purchasing reported that since we were riding the contract of another jurisdiction that they rely on that jurisdiction to check for debarment (and the other jurisdiction confirmed that they only award contracts to active vendors on the State's eVA system, hence an indication of no debarment). Regardless, the City will conduct additional training in this area for prime award recipients and for Purchasing staff. The City will also check for suspensions and debarment even if riding contracts from other jurisdictions.

Name(s) of the contact person(s) responsible for corrective action: Davidia Thompson, Wynndell Bishop, Department of Finance.

Planned completion date for corrective action plan: Q2, 2026.

Department of Housing and Urban Development

2025-005 Home Investment Partnerships Program – Assistance Listing No. 14.239

Recommendation: The City should review and enhance its internal controls and procedures to ensure that all required information is included in subawards at the time of issuance and maintained in subsequent modifications.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The City will undertake additional training for departments in FY 2026, to include providing departments with a grants responsibility checklist.

Name(s) of the contact person(s) responsible for corrective action: Kevin Greenlief, Director of Finance.

Planned completion date for corrective action plan: Q2, 2026.



DEPARTMENT OF FINANCE  
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**CITY OF ALEXANDRIA, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

**Significant Deficiency**

**Finding 2025-001 – Financial Reporting Process**

***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, investments, receivables, accounts payable, deferred inflows of resources and fixed assets.

***Effect***

The City's 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.

***Recommendation***

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

***Management Response***

The Accounting Department will implement the following to improve the internal controls over financial reporting to ensure the financial statements are in accordance with Generally Accepted Accounting Principles:

1. Hire a Financial Reporting Manager
2. Hire a General Accounting Manager

3. Consider delay of year end close process by 2 weeks to allow additional time to analyze and process adjusting journal entries related to investments, receivables, accounts payable and deferred inflows.
4. Review year-end close process with Pension Administrator to ensure all procedures are well documented.
5. Gain a full understanding of the fixed assets module via Tyler training.
6. Reconcile the fixed assets balances periodically throughout the year.

**Finding 2025-002 - 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) omitted expenditures and contained an error related to the amount provided to subrecipients.

**Criteria:**

2 CFR part 200.510(b) states that the auditee must prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements must include the total Federal awards expended. At a minimum, the schedule must:

- 1) Include the total amount provided to subrecipients from each Federal program.

Per 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F, §200.510(b) requires that auditees 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 as determined in accordance with §200.502 which states.

**Context:**

The City did not report subrecipient expenditures for the Home Investment Partnership Program (ALN # 14.239) in the amount of \$1,855,000. Additionally, the City omitted expenditures of \$220,000 from the SEFA for the program.

**Effect:**

The amount reported as expenditures and subrecipients expenditures on the SEFA was initially misstated; however, the amounts were subsequently corrected.

**Cause:**

The City manually tracks subrecipients and pass-through amounts during SEFA preparation and the amounts were omitted during preparation of the SEFA.

**Repeat Finding:**

Yes, 2024-002

**Recommendation:**

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

**Views of Responsible Officials:**

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



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