



**COUNTY OF FAIRFAX, VIRGINIA**

Financial and Compliance Audit  
Pursuant to OMB Circular A-133  
(Single Audit)

June 30, 2009

(With Independent Auditors' Reports Thereon)

# COUNTY OF FAIRFAX, VIRGINIA

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**Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Board of Supervisors  
County of Fairfax, Virginia:

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 County of Fairfax, Virginia (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 6, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with 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; and the *Specifications for Audits of Counties, Cities, and Towns* (the Specifications) issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Other auditors audited the financial statements of the Fairfax County Redevelopment and Housing Authority a discretely presented component unit of the County. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of 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 determination of basic financial statement amounts. 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*.

We noted certain matters that we reported to the County management in a separate letter dated November 6, 2009.

This report is intended solely for the information and use of the Board of Supervisors, management, the Auditor of Public Accounts of the Commonwealth of Virginia, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

November 6, 2009



KPMG LLP  
2001 M Street, NW  
Washington, DC 20036

## **Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

The Board of Supervisors  
County of Fairfax, Virginia:

### **Compliance**

We have audited the compliance of Fairfax County, Virginia (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-01.

### **Internal Control over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.



Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response, and accordingly, we express no opinion on it.

#### **Schedule of Expenditures of Federal Awards**

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 County, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 2009. We did not audit the financial statements of the Fairfax County Redevelopment and Housing Authority, a discretely presented component unit of the County, which represents 7.60%, 5.00%, and 14.58%, respectively, of total assets, net assets, and revenues of the aggregate discretely presented component units. Our audit was performed for the purpose of forming opinions on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Supervisors, management, the Auditor of Public Accounts of the Commonwealth of Virginia, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

November 6, 2009

**COUNTY OF FAIRFAX, VIRGINIA**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2009

<b>Federal Grantor/Recipient State Agency/Program Title</b>	<b>Federal Catalogue Number</b>	<b>Expenditures</b>
<b>Department of Agriculture</b>		
Direct Awards:		
National School Lunch Program	10.555	\$3,053,084
Child and Adult Care Food Program	10.558	4,274,080
Summer Food Service Program for Children	10.559	197,941
Fresh Fruit and Vegetable Program	10.582	37,095
Schools and Roads - Grants to States	10.665	772
Cooperative Research Units Program	10.916	528,406
Passed through the Commonwealth of Virginia:		
<u>Department for the Aging</u>		
Food Donation	10.550	236,026
<u>Department of Education</u>		
School Breakfast Program	10.553	2,423,493
National School Lunch Program	10.555	15,951,851
<u>Department of Health</u>		
Special Supplemental Nutrition Program for Women, Infants, and Children (409WICMOA9)	10.557	1,944,258
<u>Department of Behavioral Health and Developmental Services</u>		
State Administrative Matching Grants for Food Stamp Program	10.561	143,779
<u>Department of Social Services</u>		
Child and Adult Care Food Program	10.558	151,559
State Administrative Matching Grants for Food Stamp Program	10.561	4,778,235
<b>Department of Commerce</b>		
Direct Awards:		
Coastal Zone Management Administration Awards	11.419	759,470
Chesapeake Bay Studies	11.457	1,944
Passed through the Commonwealth of Virginia:		
<u>Department of Emergency Management</u>		
Public Safety Interoperable Communications Grant Program	11.555	1,336,819
<b>Department of Defense</b>		
Direct Awards:		
Junior ROTC (Department of Navy)	12.000	451,971
Federal Shelter Program (Department of Army)	12.115	153,891
Passed through the Commonwealth of Virginia:		
<u>Department of Transportation</u>		
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	12.607	764,145
<b>Department of Housing and Urban Development</b>		
Direct Awards:		
Supportive Housing for Persons with Disabilities	14.181	253,332
Community Development Block Grants/Entitlement Grants	14.218	6,467,313
Emergency Shelter Grants Program	14.231	265,518
Supportive Housing Program	14.235	834,159
Shelter Plus Care	14.238	1,340,959
HOME Investment Partnerships Program	14.239	3,966,637
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	108,038
Public and Indian Housing	14.850	2,997,680
Resident Opportunity and Supportive Services (ROSS) (VA019RNN010A003)	14.870	26,756
Resident Opportunity and Supportive Services (ROSS) (VA019RFS074A005)	14.870	27,094

**COUNTY OF FAIRFAX, VIRGINIA**  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2009

Federal Grantor/Recipient State Agency/Program Title	Federal Catalogue Number	Expenditures
Resident Opportunity and Supportive Services (ROSS) (VA019RNN019A006)	14.870	\$51,643
Resident Opportunity and Supportive Services (ROSS) (VA019REF030A006)	14.870	88,519
Resident Opportunity and Supportive Services (ROSS) (VA019RFS194A007)	14.870	46,985
Section 8 Housing Choice Vouchers	14.871	41,077,084
Public Housing Capital Fund	14.872	2,978,595
<b>Department of the Interior</b>		
Direct Awards:		
National Park Services Cooperative Program	15.000	7,837
Wildlife Restoration	15.611	59,829
<b>Department of Justice</b>		
Direct Awards:		
State Criminal Alien Assistance Program	16.606	1,029,372
Bulletproof Vest Partnership Program	16.607	15,435
Public Safety Partnership and Community Policing Grants	16.710	278,784
Edward Byrne Memorial Justice Assistance Grant Program	16.738	83,917
Passed through the Commonwealth of Virginia:		
<u>Department of Criminal Justice Services</u>		
Prisoner Reentry Initiative Demonstration (Offender Reentry) (MOA-29-03-01)	16.202	235,831
Juvenile Accountability Block Grants (08-J3224JB06, 09-K3224JB06)	16.523	83,356
Juvenile Justice and Delinquency Prevention - Allocation to States (09-C5267JJ07)	16.540	85,724
Gang-Free Schools and Communities - Community-Based Gang Intervention	16.544	189,024
Crime Victim Assistance (09-J3455SA08)	16.575	219,406
Crime Victim Assistance/Discretionary Grants (08-K9836VA07, 09-L9836VA08)	16.582	30,633
Violence Against Women Formula Grants (08-I933VA07, SVC 06-058-12)	16.588	53,337
Passed through the University of Maryland:		
Community Capacity Development Office (Z903006, Z914105, Z98808.C, Z903006.B)	16.595	423,944
Passed through ChildSafeNet:		
Reduction and Prevention of Children's Exposure to Violence	16.730	53,777
Passed through the County of Loudoun, Virginia:		
Gang-Free Schools and Communities - Community-Based Gang Intervention	16.544	56,198
Anti-Gang Initiative	16.744	196,026
<b>Department of Labor</b>		
Passed through the Commonwealth of Virginia:		
<u>Virginia Community College System</u>		
WIA Adult Program (LWA 11-07-07RC)	17.258	553,283
ARRA - WIA Adult Program (LWA ARRA-11)	17.258	33,282
WIA Youth Activities (LWA 11-07-07RC)	17.259	319,913
ARRA - WIA Youth Activities (LWA ARRA-11)	17.259	14,187
WIA Dislocated Workers (LWA 11-07-07RC)	17.260	1,297,767
ARRA - WIA Dislocated Workers (LWA ARRA-11)	17.260	66,742
<b>Department of State</b>		
Direct Awards:		
Overseas Educational Advising	19.432	5,872
<b>Department of Transportation</b>		
Direct Awards:		
Highway Planning and Construction	20.205	1,670,419
Job Access - Reverse Commute	20.516	23,756

**COUNTY OF FAIRFAX, VIRGINIA**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2009

Federal Grantor/Recipient State Agency/Program Title	Federal Catalogue Number	Expenditures
Passed through the Commonwealth of Virginia:		
<u>Department of Transportation</u>		
Highway Planning and Construction	20.205	\$2,146,592
<u>Department of Motor Vehicles</u>		
State and Community Highway Safety (K8-2008-58053-2991, K8-2009-59183-3486)	20.600	106,615
<b>Department of Treasury</b>		
Direct Awards:		
Taxpayer Service	21.003	54,612
<b>Equal Employment Opportunity Commission</b>		
Direct Awards:		
Employment Discrimination - Private Bar Program	30.005	115,674
<b>General Services Administration</b>		
Direct Awards:		
Laurel Hill Asbestos Removal	39.000	228,165
<b>Library of Congress</b>		
Direct Awards:		
Library of Congress - Library Services	42.006	86,670
<b>National Aeronautics and Space Administration</b>		
Direct Awards:		
Aerospace Education Services Program	43.001	21,192
<b>National Endowment for the Arts</b>		
Direct Awards:		
National Leadership Grants	45.312	67,901
Laura Bush 21st Century Librarian Program	45.313	46,765
<b>Department of Education</b>		
Direct Awards:		
Impact Aid	84.041	4,533,029
Education for Homeless Children and Youth	84.196	86,675
Fund for the Improvement of Education	84.215	344,249
Foreign Language Assistance	84.293	275,565
Passed through the Commonwealth of Virginia:		
<u>Department of Education</u>		
Adult Education - State Grant Program (VA02A080046)	84.002	847,565
Title I Grants to Local Educational Agencies (SO10S080046)	84.010	15,743,452
Title I Program for Neglected and Delinquent Children (SO10A080046)	84.013	46,518
Special Education - Grants to States (HO27A080107)	84.027	33,607,305
Career and Technical Education - Basic Grants to States (VO48A080046)	84.048	1,647,924
Special Education - Preschool Grants (HI73A080112)	84.173	1,702,294
Safe and Drug-Free Schools and Communities - State Grants (Q186A080048)	84.186	378,111
Twenty-First Century Community Learning Centers (S287C070047)	84.287	209,573
State Grants for Innovative Programs (S298A070047)	84.298	155,796
Education Technology State Grants (S318X080046)	84.318	132,114
English Language Acquisition Grants (9T365A080046)	84.365	3,853,337
Improving Teacher Quality State Grants (S367A070044)	84.367	3,837,652

**COUNTY OF FAIRFAX, VIRGINIA**  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2009

<u>Federal Grantor/Recipient State Agency/Program Title</u>	<b>Federal Catalogue Number</b>	<b>Expenditures</b>
<u>Department of Behavioral Health and Developmental Services</u>		
Special Education - Grants for Infants and Families with Disabilities	84.181	\$857,262
<u>Compensation Board</u>		
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	4,961,717
<b>Department of Health and Human Services</b>		
Direct Awards:		
Drug-Free Communities Support Program Grants	93.276	94,600
Head Start	93.600	6,522,115
Medicare - Prescription Drug Coverage	93.770	1,070,682
Medical Assistance Program	93.778	1,325,870
Passed through the Commonwealth of Virginia:		
<u>Department for the Aging</u>		
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	43,351
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	711,323
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	726,364
National Family Caregiver Support, Title III, Part E	93.052	160,151
Medicare - Supplementary Medical Insurance	93.774	13,077
<u>Department of Health</u>		
Public Health Emergency Preparedness (96350-2008-001, 96350-2009-001)	93.069	754,308
Project Grants and Cooperative Agreements for Tuberculosis Control Programs (609-409-93116-06-7)	93.116	164,044
Immunization Grants (409-EE-1000-4401300-43)	93.268	67,239
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	53,877
Maternal and Child Health Services Block Grant to the States (409OFHSMCH08)	93.994	246,849
<u>Department of Behavioral Health and Developmental Services</u>		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	159,778
National Bioterrorism Hospital Preparedness Program	93.889	2,800
Block Grants for Community Mental Health Services	93.958	1,269,360
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3,253,895
<u>Department of Social Services</u>		
Promoting Safe and Stable Families	93.556	45,972
Temporary Assistance for Needy Families (RFP-BEN-09-007-11)	93.558	4,311,009
Refugee and Entrant Assistance - State Administered Programs	93.566	338,143
Low-Income Home Energy Assistance	93.568	175,913
Community Services Block Grant	93.569	653,598
Child Care and Development Block Grant	93.575	5,801,781
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	7,943,074
Chafee Education and Training Vouchers Program (ETV)	93.599	46,892
Child Welfare Services - State Grants	93.645	32,582
Foster Care - Title IV-E	93.658	5,340,815
ARRA - Foster Care Title IV-E	93.658	153,048
Adoption Assistance	93.659	1,782,405
ARRA - Adoption Assistance	93.659	147,836
Social Services Block Grant	93.667	2,747,283
Chafee Foster Care Independence Program	93.674	56,026
ARRA - Child Care and Development Block Grant	93.713	172,388
State Children's Insurance Program	93.767	363,644
Medical Assistance Program	93.778	3,250,525
Passed through the National Association of County and City Health Officials (NACCHO):		
Medical Reserve Corps Small Grant Program (MRC07465)	93.008	13,527

**COUNTY OF FAIRFAX, VIRGINIA**  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2009

<b>Federal Grantor/Recipient State Agency/Program Title</b>	<b>Federal Catalogue Number</b>	<b>Expenditures</b>
Passed through the Northern Virginia Regional Commission: HIV Care Formula Grants	93.917	\$101,473
<b>Corporation for National &amp; Community Service</b>		
Passed through the Commonwealth of Virginia: <u>Department of Social Services</u> AmeriCorps	94.006	7,144
<b>Department of Homeland Security</b>		
Direct Awards:		
National Urban Search and Rescue (US&R) Response System	97.025	2,271,157
Assistance to Firefighters Grant	97.044	494,086
Passed through the Commonwealth of Virginia: <u>Department of Criminal Justice Services</u>		
State Domestic Preparedness Equipment Support Program	97.004	4,883
Law Enforcement Terrorism Prevention Program (LETPP) (08-A5443HS06, 09-B5443HS07)	97.074	29,190
<u>Department of Emergency Management</u>		
Emergency Management Performance Grants	97.042	50,764
State Homeland Security Program (SHSP)	97.073	377,007
Passed through the District of Columbia Homeland Security & Emergency Management Agency: Homeland Security Grant Program (13CUAS6, VABUAS6, ESF-6, 7UASI533-01, 7UASI533-05, 8UASI533-01, 8UASI533-02)	97.067	2,953,891
<b>United States Agency for International Development</b>		
Direct Awards:		
USAID Foreign Assistance for Programs Overseas	98.001	1,715,548
		<u>\$238,922,393</u>

## COUNTY OF FAIRFAX, VIRGINIA

### Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

#### (1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes all federal grant activity of the County of Fairfax, Virginia (County) and its component units, except that of the discretely presented tax credit partnership component units of the Fairfax County Redevelopment and Housing Authority (FCRHA). The County's reporting entity is defined in Note A, Part 1 of the County's basic financial statements. The Schedule has been prepared on the modified accrual basis of accounting as defined in Note A, Part 3 of the County's basic financial statements.

The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### (2) Non-Cash and Other Programs

Women, Infant and Children (WIC) program vouchers are issued by the Commonwealth of Virginia to eligible County citizens during the year. The value of these vouchers is not included on the accompanying schedule because the Virginia Department of Health determines eligibility for and monitors the WIC program. However, the County's administrative expenditures for the program are included on the accompanying schedule in the Special Supplemental Nutrition Program for Women, Infants and Children Grant (10.557).

The Commonwealth of Virginia Department of Agriculture and Consumer Services (VDACS), Division of Marketing, administers the United States Department of Agriculture (USDA) donated food program within the Commonwealth of Virginia. USDA provides values for all donated food. For CFDA number 10.555, the County received a net value of donated food in the amount of \$493,518 for the year ended June 30, 2009.

The U.S. Department of Housing and Urban Development (HUD) has insured certain mortgage loan borrowings (14.248) made by the County through the FCRHA in connection with certain low income housing projects. These loans had outstanding principal due of \$10,134,170 at June 30, 2009, which reflects new loans in the current year of \$7,090,000 and existing loans made in prior years with continuing compliance requirements of \$3,044,170. In addition, FCRHA held Federal Housing Administration (FHA) insured mortgage revenue bonds (14.000) secured by land, buildings, and equipment of \$4,985,000 at June 30, 2009. Finally, FCRHA issued certain bonds and notes to permanently finance certain public housing projects. Principal and interest on these bonds and notes are paid by HUD through the Annual Contributions Contract of the Public and Indian Housing grant (14.850). Such payments totaled \$233,453 during the year ended June 30, 2009.

The Homeland Security Grant Program (97.067) is granted by the U.S. Department of Homeland Security to enhance the ability of state and local governments to prepare, prevent, respond to, and recover from terrorist attacks and other disasters. The State Homeland Security Program (97.073) is also granted by the U.S. Department of Homeland Security to build capabilities to prevent, deter,

**COUNTY OF FAIRFAX, VIRGINIA**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

respond to, and recover from incidents of terrorism at the state and local levels through planning, equipment, training, and exercise activities and support the implementation of state homeland security strategies and key elements of the national preparedness architecture. Several Washington, DC metropolitan jurisdictions receive funding under these two programs. In addition to purchasing equipment or supplies for their own jurisdiction, they may purchase these items for surrounding jurisdictions and then transfer, or donate, the items to other jurisdictions per the federal government or pass-through entity's instructions. For the year ended June 30, 2009, Fairfax County purchased and then transferred equipment / supplies valued at \$36,450 for CFDA 97.067, and \$10,968 for CFDA 97.073, to other jurisdictions.

**(3) Totals by Program**

Federal programs are awarded to the County either directly by a federal agency or through a pass-through entity. Some programs are received both directly and through a pass-through entity and some are received through multiple pass-through entities. Additionally, a federal agency may request the County to provide a higher-level of detail on the Schedule, rather than a total by federal catalogue number. The following programs, reported in multiple line items in the accompanying Schedule, are totaled here:

<b>Program Title</b>	<b>Federal Catalogue Number</b>	<b>Total by Program</b>
National School Lunch Program	10.555	\$ 19,004,935
Child and Adult Care Food Program	10.558	4,425,639
State Administrative Matching Grants for Food Stamp Program	10.561	4,922,014
Resident Opportunity and Supportive Services (ROSS)	14.870	240,997
Gang-Free Schools and Communities - Community-Based Gang Intervention	16.544	245,222
WIA Adult Program	17.258	586,565
WIA Youth Activities	17.259	334,100
WIA Dislocated Workers	17.260	1,364,509
Highway Planning and Construction	20.205	3,817,011
Foster Care - Title IV-E	93.658	5,493,863
Adoption Assistance	93.659	1,930,241
Medical Assistance Program	93.778	4,576,395

**COUNTY OF FAIRFAX, VIRGINIA**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

**(4) Subrecipients**

Of the federal expenditures presented in the Schedule, the County provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>Number</b>	<b>Subrecipients</b>
Food Donation	10.550	\$ 236,026
Community Development Block Grants/Entitlement Grants	14.218	2,081,825
Supportive Housing Program	14.235	182,707
Shelter Plus Care	14.238	1,340,959
Special Programs for the Aging – Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	40,253
Special Programs for the Aging – Title III, Part C - Nutrition Services	93.045	726,364
Head Start	93.600	1,428,207

**COUNTY OF FAIRFAX, VIRGINIA**

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

**(1) Summary of Auditors' Results**

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

**B.** Internal control over financial reporting:

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

Material weakness identified? **None**

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

**D.** Significant deficiencies in internal control over major programs noted? **Yes, finding 2009-01**

**E.** Material weaknesses in internal control over major programs noted? **None**

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

**G.** Any findings which are required to be reported under Section .510(a) of OMB Circular A-133?  
**Yes**

**H.** Major programs are as follows:

- (1) HUD Loan Guarantee Program – Little River Glen (CFDA No. 14.000)
- (2) Section 8 Housing Choice Vouchers (CFDA No. 14.871)
- (3) Workforce Investment Act Cluster (CFDA Nos. 17.258, 17.259, and 17.260)
- (4) Title I – Grants to Local Educational Agencies (CFDA No. 84.010)
- (5) English Language Acquisition Grants (CFDA No. 84.365)
- (6) Improving Teacher Quality State Grants (CFDA No. 84.367)
- (7) State Fiscal Stabilization Fund (CFDA No. 84.397)
- (8) Temporary Assistance for Needy Families (CFDA No. 93.558)
- (9) Foster Care – Title IV-E (CFDA No. 93.658)
- (10) Adoption Assistance (CFDA No. 93.659)
- (11) Social Services Block Grant (CFDA No. 93.667)
- (12) Child Care and Development Fund Cluster (CFDA Nos. 93.575, 93.596, and 93.713)
- (13) Community Development Block Grant – Section 108 Loan Guarantees (CFDA No. 14.248)

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

Auditee qualified as a low-risk auditee? **Yes**

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

**None**

**COUNTY OF FAIRFAX, VIRGINIA**

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

**(3) Findings and Questioned Costs for Federal Awards**

**Item No. 2009-01 – Eligibility – Internal Controls over Eligibility Determinations**

***Program***

Adoption Assistance (CFDA No. 93.659, Grant Year 2009)

***Condition***

During our testwork over the Adoption Assistance program eligibility:

1. For one of 45 participant files reviewed, we noted that a participant did not have the Adoption Assistance Subsidy Agreement signed prior to the Final Order of Adoption.
2. For one of 45 participant files reviewed, we noted that the participant's case file lacked adequate evidence that program management made a reasonable effort to place the child in an adoptive home without a subsidy agreement.

***Criteria***

With respect to the two conditions noted above, it is noted that:

1. Per 42 USC 673(c), the County must demonstrate that reasonable efforts have occurred to place the child for adoption without a subsidy prior to going forward with subsidized adoptive placement.
2. Per 42 USC 675(3), the agreement for the subsidy must be signed and in effect before the final decree of adoption.

Additionally, management is responsible for ensuring adequate internal controls exist over compliance.

***Cause***

The noncompliance was caused due to a lack of effective internal controls over compliance with program eligibility requirements.

***Effect***

Failure to maintain adequate effective internal controls over compliance related to program eligibility determination could lead to future noncompliance with program requirements and questioned costs.

***Questioned Costs***

Undeterminable.

## COUNTY OF FAIRFAX, VIRGINIA

### Schedule of Findings and Questioned Costs

Year ended June 30, 2009

#### ***Recommendation***

We recommend that policies and procedures be re-emphasized with the Adoption Assistance division personnel especially those responsible to conduct an effective review of Adoption Assistance eligibility determinations to ensure the requirements have been met and adequate supporting documentation evidencing eligibility is appropriately maintained.

#### ***Management Response***

Adoption Assistance agreements are completed prior to the final order of adoption for the child. The adoption social worker and the supervisor are responsible for determining the child's eligibility for subsidy and completing the assistance agreement with the identified adoptive family. All adoption assistance subsidy agreements are also reviewed and signed by the agency director. A packet of information is given to the Director for review and includes the following information: the adoption assistance agreement, the letter from the adoptive parents requesting subsidy, documentation about the child's special needs and eligibility for adoption assistance, and the signed adoptive placement agreement.

The finding in this case was an administrative error on the part of the social worker and corrective action has been taken to include the following: the supervisor has trained the social worker on the appropriate protocol for completing an adoption assistance agreement, a job aide will be used by all employees on the steps required to complete an adoption assistance agreement, consultation with staff from the Self Sufficiency Division to confirm the appropriate type of adoption assistance (State versus IV-E) prior to the adoption assistance agreement, and on-going supervisory review of cases.

In regards to the required AREVA documentation for efforts to place the child without a subsidy, the AREVA registration form will be printed and the hard copy placed in the child's foster care record. The Virginia Department of Social Services adoption policy requires all children to be registered in AREVA. Social worker staff are compliant with this regulation, however on occasion paper copies of the registration have not been included in the file. The registration form is submitted electronically through the OASIS (the Virginia case information system), but a copy document will also be placed in the child's record. Social worker supervisors will be responsible for training staff and ensuring that the proper documents are maintained in the child's files. Supervisors will review the AREVA registration prior to archiving in the child's file. In addition, social workers will note that the AREVA registration has been completed in the required written court reviews and adoption progress reports.