

COUNTY OF SPOTSYLVANIA, VIRGINIA
COMPLIANCE REPORTS
YEAR ENDED JUNE 30, 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**COUNTY OF SPOTSYLVANIA, VIRGINIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

| | |
|--|-----------|
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 2 |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE | 4 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 7 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 10 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 11 |



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

To the Honorable Members of the Board of Supervisors
County of Spotsylvania, 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, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Spotsylvania, Virginia (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

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

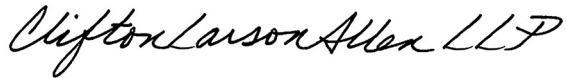
To the Honorable Members of the Board of Supervisors
County of Spotsylvania, Virginia

County of Spotsylvania's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Arlington, Virginia
December 8, 2020



**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**

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

Report on Compliance for Each Major Federal Program

We have audited the County of Spotsylvania, Virginia's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

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

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 8, 2020 which contained unmodified opinions on those 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

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

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
July 28, 2021

**COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

| Federal Agency | Pass-thru Entity | Program Title | Federal CFDA Number | Cluster Name | Pass-through Entity Identifying Number | Federal Expenditures | Cluster Total | Program Total | |
|--------------------------------|---|--|---------------------|---|--|----------------------|------------------|---------------|--|
| U.S. Department of Agriculture | Virginia Department of Agriculture Food and Nutrition Service | National School Lunch Program - Commodities | 10.555 | Child Nutrition Cluster | not applicable | \$ 832,110 | | | |
| | Virginia Department of Education | School Breakfast Program | 10.553 | Child Nutrition Cluster | 17901-40253 | 1,118,940 | | | |
| | Virginia Department of Education | COVID-19 - School Breakfast Program | 10.553 | Child Nutrition Cluster | 17901-40253 | 118,348 | | | |
| | | School Breakfast Program - Total | 10.553 | | | | | 1,237,288 | |
| | Virginia Department of Education | National School Lunch Program | 10.555 | Child Nutrition Cluster | 17901-40254 | 3,190,964 | | | |
| | Virginia Department of Education | COVID-19 - National School Lunch Program | 10.555 | Child Nutrition Cluster | 17901-40254 | 276,693 | | | |
| | | National School Lunch Program - Total | 10.555 | | | | | 4,299,767 | |
| | Virginia Department of Education | Summer Food Service Program | 10.559 | Child Nutrition Cluster | 17901-603030 | 66,550 | | | |
| | Virginia Department of Education | COVID-19 - Summer Food Service Program | 10.559 | Child Nutrition Cluster | 17901-603020 | 1,715,242 | | | |
| | | Summer Food Service Program - Total | 10.559 | | | | | 1,781,792 | |
| | | | | | Child Nutrition Cluster - Total | | | 7,318,847 | |
| | Virginia Department of Social Services | State Administrative Matching Grants for Supplemental Nutrition Assistance Program | 10.561 | SNAP Cluster | 10119, 10120, 40119, 40120 | 1,246,664 | 1,246,664 | | |
| | | | | Total U.S. Department of Agriculture | | | 8,565,511 | | |
| U.S. Department of Defense | Direct Payments | Junior ROTC Program | 12.000 | | not applicable | 162,010 | | | |
| | | | | Total U.S. Department of Defense | | 162,010 | | | |
| U.S. Department of Justice | Direct Payments | State Criminal Alien Assistance Program | 16.606 | | not applicable | 25,158 | | | |
| | Direct Payments | Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | | not applicable | 43,793 | | | |
| | Direct Payments | Equitable Sharing Program | 16.922 | | not applicable | 6,555 | | | |
| | Virginia Department of Criminal Justice Services | Crime Victim Assistance | 16.575 | | 19W9259VW 17, 20X9259VW 18 | 180,102 | | | |
| | | | | Total U.S. Department of Justice | | | 255,608 | | |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

| Federal Agency | Pass-thru Entity | Program Title | Federal CFDA Number | Cluster Name | Pass-through Entity Identifying Number | Federal Expenditures | Cluster Total | Program Total |
|---|---|--|---------------------|-----------------------------------|---|----------------------|---------------|---------------|
| U.S. Department of Transportation | Virginia Department of Transportation | Transportation Enhancement Activities | 20.200 | | EN00-088-150 (UPC 56436, 110488) | 509,686 | | |
| | Virginia Department of Motor Vehicles | State and Community Highway Safety | 20.600 | Highway Safety Cluster | FSC-2019-59074-9074; FSC-2020-50048-20048 | 41,048 | | |
| | Virginia Dept of Health | Occupant Protection Incentive Grant for Sheriff's Office Child Safety Seat Program | 20.602 | Highway Safety Cluster | not available | 4,959 | | |
| | Virginia Department of Motor Vehicles | Alcohol Open Container Requirements | 20.607 | Highway Safety Cluster - Total | 154AL-2019-59053-9053; 154AL-2020-50038-20038 | 47,619 | 46,007 | |
| Total U.S. Department of Justice | | | | | | 603,312 | | |
| U.S. Department of Treasury | Virginia Department of Accounts | COVID-19 - Coronavirus Aid, Relief, and Economic Security Act | 21.019 | | SLT0022 | 10,245,799 | | |
| | Virginia Office of the Attorney General | VA Rules Summer Camp for the Sheriff's Office | 21.000 | | not available | 4,981 | | |
| Total U.S. Department of Treasury | | | | | | 10,250,780 | | |
| U.S. Department of Education | Direct Payments | Impact Aid | 84.041 | | not applicable | 185,967 | | |
| | Virginia Department of Education | Adult Education - Basic Grants to States | 84.002 | | 17901-42801 17901-61380 17901-61111 | 391,734 | | |
| | Virginia Department of Education | Title I Grants to Local Educational Agencies | 84.010 | | 17901-42901 | 2,997,765 | | |
| | Virginia Department of Education | Title I State Agency Program for Neglected and Delinquent Children and Youth | 84.013 | | 17901-42948 | 4,816 | | |
| | Virginia Department of Education | Special Education - Grants to States | 84.027 | Special Education Cluster | 17901-43071 17901-61215 | 4,630,694 | | |
| | Virginia Department of Education | Career and Technical Education - Basic Grants to States | 84.048 | | 17901-61095 | 307,361 | | |
| | Virginia Department of Education | Special Education - Preschool Grants | 84.173 | Special Education Cluster | 17901-62521 | 91,441 | | |
| | Virginia Department of Education | English Language Acquisition State Grants | 84.365 | Special Education Cluster - Total | 17901-60512 17901-60509 | 79,431 | 4,722,135 | |
| | Virginia Department of Education | Supporting Effective Instruction State Grant | 84.367 | | 17901-61480 | 535,657 | | |
| | Virginia Department of Education | Title IV - Student Support & Academic Enrichment | 84.424A | | 17901-60022 | 77,939 | | |
| Total U.S. Department of Education | | | | | | 9,302,805 | | |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

| Federal Agency | Pass-thru Entity | Program Title | Federal CFDA Number | Cluster Name | Pass-through Entity Identifying Number | Federal Expenditures | Cluster Total | Program Total |
|---|---|--|---------------------|--------------------|--|----------------------|---------------|---------------|
| U.S. Department of Health and Human Services | Direct Payments | Head Start | 93.600 | | not applicable | 960,682 | | |
| | Virginia Department of Health | Injury Prevention and Control Research and State and Community Based Programs for Sheriff's Office Child Safety Seat Program | 93.136 | | not available | (443) | | |
| | Virginia Department of Social Services | Promoting Safe and Stable Families | 93.556 | | 950118, 950119 | 59,304 | | |
| | Virginia Department of Social Services | Temporary Assistance for Needy Families | 93.558 | TANF Cluster | 400119, 400120, 16-047-24; 19-113-24 | 715,810 | 715,810 | |
| | Virginia Department of Social Services | Refugee and Entrant Assistance - State Administered Program | 93.566 | | 500119, 500120 | 1,145 | | |
| | Virginia Department of Social Services | Low Income Home Energy Assistance | 93.568 | | 600419, 600420 | 81,435 | | |
| | Virginia Department of Social Services | Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | Child Care Cluster | 760119, 760120 | 95,883 | 95,883 | |
| | Virginia Department of Social Services | Chafee Education and Training Vouchers Program (ETV) | 93.599 | | 9160119 | 4,863 | | |
| | Virginia Department of Social Services | Adoption and Legal Guardianship Incentive Payments | 93.603 | | 1130117 | 2,744 | | |
| | Virginia Department of Social Services | Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | | 900118, 900119 | 737 | | |
| | Virginia Department of Social Services | Foster Care Title IV-E | 93.658 | | 1100119, 1100120, 1110119 | 1,185,757 | | |
| | Virginia Department of Social Services | Adoption Assistance | 93.659 | | 1120119, 1120120 | 1,020,031 | | |
| | Virginia Department of Social Services | Social Services Block Grant | 93.667 | | 1000119, 1000120 | 658,422 | | |
| | Virginia Department of Social Services | Chafee Foster Care Independence Program | 93.674 | | 9150118, 9150119 | 19,403 | | |
| | Virginia Department of Social Services | Children's Health Insurance Program | 93.767 | | 540119, 540120 | 20,289 | | |
| | Virginia Department of Social Services | Medical Assistance Program | 93.778 | Medicaid Cluster | 1200120 | 1,281,662 | 1,281,662 | |
| Total U.S. Department of Health and Human Services | | | | | | 6,107,723 | | |
| U.S. Dept of Homeland Security | Direct Payments | Staffing for Adequate Fire and Emergency Response (SAFER) | 97.083 | | not applicable | 527,670 | | |
| | Virginia Department of Emergency Management | Emergency Management Performance Grants | 97.042 | | 8193 | 40,579 | | |
| | Virginia Department of Emergency Management | State Homeland Security Program (SHSP) | 97.073 | | 7913, 8320 | 7,811 | | |
| Total U.S. Department of Homeland Security | | | | | | 576,060 | | |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | | | \$ 35,823,810 | | |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SPOTSYLVANIA, VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federally assisted programs of the County of Spotsylvania, Virginia (the County). The County's reporting entity is defined in Note 1 of the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the Schedule of Expenditures of Federal Awards.

NOTE 2 BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements. The County participated in federal programs in which noncash benefits are provided through the Commonwealth of Virginia to eligible program participants. Food Distribution Programs (CFDA Number 10.555). The value of food commodities (\$832,110) was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists.

NOTE 3 INDIRECT COSTS

The County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 CORONAVIRUS AID RELIEF AND ECONOMIC SECURITY ACT (CARES)

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed by the President on March 27, 2020, to provide relief from the impact of the COVID-19 pandemic. Included in the Act are provisions and funding specific to state and local governments to protect their communities during this challenging period. During the fiscal year ended June 30, 2020, the County received and expended CARES Act funding for authorized programs. For SEFA reporting, the prefix "COVID-19" is used in the name of each federal program that has CARES Act expenditures.

Reconciliation of reported federal expenditures:

COVID-19 – Coronavirus Aid, Relief, and Economic Security Act (21.019)

| | |
|--|-------------------|
| Payment received | \$11,884,234 |
| Federal expenditures incurred and reported | <u>10,245,799</u> |
| Amount reported as deferred revenues on the Statement of Net Position | \$ 1,638,435 |

COVID-19 – Provider Relief Fund (93.498)

The County received \$117,115 in provider relief used to fund lost revenue attributable to COVID-19, as a result no associated expenditures are reported in the Schedule of Expenditures of Federal Awards.

**COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------------------------|---|
| 10.553, 10.555, 10.559 21.019 | Child Nutrition Cluster Program (CNC) Coronavirus Aid, Relief, and Economic Security (CARES) Act |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,074,715

Auditee qualified as low-risk auditee? yes X no

**COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

2020-001 CORRECTION OF AN ERROR

Criteria or specific requirement:

GASB 33: Accounting and Financial Reporting for Nonexchange Transactions provides that property taxes should be recognized in the period they are intended to finance.

Condition:

At June 30, 2019, deferred inflows of resources for unavailable property taxes was understated by \$1.6 million as a result of unrecorded unavailable prepaid property taxes. As a result, Unassigned Fund Balance for the General Fund was overstated by \$1.6 million.

Cause:

In preparing the current year's financial statements management made the decision to start recording deferred revenues related to property taxes collected in advance within the Fund Financial Statements. In previous years, management did not make the adjustment, allowing the recognition of prior year prepaid taxes as revenues to be offset by the removal from revenues of current year prepaid tax collections. Management was already making the adjustment to record deferred revenues related to property taxes collected in advance within the County's Government-wide Financial Statements.

Effect:

At June 30, 2019, deferred inflows of resources for unavailable property taxes was understated by \$1.6 million.

Recommendation:

We recommend that the County review current procedures and enhance them to ensure that tax revenue is correctly stated.

Views of responsible officials:

As part of management's efforts to provide the highest quality financial statement possible, management voluntarily elected to change its year end process to adjust for prepaid taxes within its Fund Financial Statements. Historically, the amount has not been material to the Fund Financial Statements. However, as the County continues to grow, it's management's view that while the amount continues to be immaterial, the proper reporting of the deferred tax revenue will better inform the users of our financial statements. To avoid a distortion to the County's current year reported revenues, the County elected to correct through a prior period adjustment. Additional information is available under Note 21 of the County's Annual Comprehensive Financial Report.

**COUNTY OF SPOTSYLVANIA, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

None

SECTION IV – FINDINGS AND QUESTIONED COSTS – COMMONWEALTH OF VIRGINIA

None

SECTION V – STATUS OF PRIOR YEAR FINDINGS

2019-001 – Not repeated

2019-002 – Not repeated