



The objective of an audit performed under GAS is to issue an opinion on the fairness of financial reporting with rules set forth by the Governmental Accounting Standards Board and provides for an additional level of review by auditors. In addition to providing an opinion on the financial statements, an audit performed in accordance with GAS requires that auditors report on the scope and results of testing the organization's internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements. Additionally, organizations expending \$750,000 or more in Federal financial assistance must have a compliance audit performed in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Audit engagement results are summarized in the following auditor letters as applicable:

- Independent Auditor's Report
- Independent Auditor's 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*
- Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

Internal Audit collected and summarized regional partnership organizations' annual audit reports that were completed during FY21. This non-audit project was part of the FY22 Internal Audit Plan approved by the Audit and Finance Committees. This is a first-year project which we anticipate completing on an annual basis. We are providing management this summary for general reference and financial monitoring of these organizations.

Our summary includes disclosure of the organizations' audit opinion(s), summary of findings, and certain disclosures. An independent auditor's opinion regarding the financial statements as a whole may be either unmodified or modified. An unmodified (clean) opinion indicates the financial statements present fairly, in all material respects, the financial position in accordance with generally accepted accounting principles. There are three types of modified opinions: qualified, adverse, and disclaimer of opinion. In each case, the reason for such a modification is described in the auditor's report.

An independent auditor's report on an audit of financial statements performed in accordance with *Government Auditing Standards* indicates whether or not the auditor's tests identified significant deficiencies or material weaknesses in internal controls or instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. Such reportable conditions are detailed in an accompanying schedule of findings. This report does not provide an opinion on the effectiveness of internal control or compliance.

An audit performed in accordance with Uniform Guidance includes the auditor's opinion on the financial statements and on the supplementary schedule of expenditures of federal awards and 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*.

In addition to the independent auditors' financial, internal control, and Uniform Guidance audit reports, we review financial statement disclosures for significant information regarding the organization's operations and financial condition. We use our professional judgement to determine which, if any, disclosures are included in this report for management's information.

We believe our work provides an objective summary of Regional Partnership Organizations audit reports gathered by Internal Audit. However, this information summary does not constitute an audit conducted in accordance with *Government Auditing Standards*.

### **RESULTS SUMMARY**

Twelve regional partnership organizations had financial audit reports completed in FY21, which Internal Audit obtained for this summary. Details are provided beginning on page four and noted:

- 12/12 reports (100%) – Clean financial audit opinion
- 9/9 reports (100%) – No reportable conditions identified by the GAS financial audit
- 3/3 reports (100%) – Clean Uniform Guidance audit opinion

Please contact us if you have any questions or if we can be of further assistance.

Copy: Matt Harris, Deputy County Administrator, Finance and Administration

| # | Organization Name  | Chesterfield's Relationship with the Organization | Report Date | Fiscal Year (FY) | Financial Audit Opinion | Reportable Conditions in GAS Audit | Uniform Guidance Audit Opinion | Audit Findings | Note Disclosures/ Additional Details   |
|---|--|---|-------------|------------------|-------------------------|------------------------------------|--------------------------------|----------------|--|
| 1 | Appomattox River Water Authority                                   | Joint Venture                                     | 10/30/2020  | FY20             | Clean                   | None                               | —                              | None           | Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.   |
| 2 | Capital Region Airport Commission (Richmond International Airport) | Joint Venture                                     | 10/26/2020  | FY20             | Clean                   | None                               | Clean                          | None           | <p>Financial statements disclose concentration risk for revenues coming from two customers.</p> <p>The Pandemic caused significant reduction in passenger traffic triggering cost cutting measures and a hiring freeze. Future financial effects cannot be determined.</p> <p>Subsequent events include CARES funding award of \$18.8 million, extension to existing airline agreements and abatement credits to certain vendors resulting from decreased passenger traffic.</p> |
| 3 | Central Virginia Waste Management Authority                        | Jointly Governed                                  | 9/1/2020    | FY20             | Clean                   | None                               | —                              | None           | <p>Financial statements disclose a \$21,407 deficit net position balance for the Waste Transfer &amp; Disposal fund but indicates future revenues should eliminate this deficit.</p> <p>Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.</p>   |

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|---|--|---|-------------|------------------|-------------------------|------------------------------------|--------------------------------|----------------|--|
| 4 | Greater Richmond Convention Center Authority | Joint Venture                                     | 9/28/2020   | FY20             | Clean                   | None                               | —                              | None           | Pandemic impacts disclosed include a decrease in hotel occupancy and transient occupancy tax collections. Participating jurisdictions adopted emergency ordinances that provided taxpayer relief from penalties and interest on late remittances of transient occupancy tax.   |
| 5 | Greater Richmond Partnership                 | Jointly Governed                                  | 11/24/2020  | FY20             | Clean                   | —                                  | —                              | —              | <p>Financial statements disclose concentration risk for contributions receivable from two donors and total support primarily from four local governments.</p> <p>Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.</p> <p>Pandemic impacts disclosed include uncertainty in contributions receivable collections, receiving \$191,913 of loan proceeds from the Small Business Administration's Paycheck Protection Program (PPP). The PPP loan contains provisions for complete or partial forgiveness however the outcome is unknown.</p> |

| #  | Organization Name  | Chesterfield's Relationship with the Organization | Report Date | Fiscal Year (FY) | Financial Audit Opinion | Reportable Conditions in GAS Audit | Uniform Guidance Audit Opinion | Audit Findings | Note Disclosures/ Additional Details   |
|----|--|---|-------------|------------------|-------------------------|------------------------------------|--------------------------------|----------------|--|
| 6  | Greater Richmond Transit Company (GRTC Transit System)                         | Joint Venture                                     | 1/27/2021   | FY20             | Clean                   | None                               | Clean                          | None           | Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.<br><br>Pandemic impacts disclosed include revenue loss due to decreased ridership and suspension of fare collections. The Organization was awarded \$32.2 million of CARES funding. |
| 7  | Richmond Regional Planning District Commission (PlanRVA)                       | Jointly Governed                                  | 11/23/2020  | FY20             | Clean                   | None                               | Clean                          | None           |  |
| 8  | Richmond Metropolitan Transportation Authority                                 | Other   | 9/30/2020   | FY20             | Clean                   | None                               | —                              | None           | Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.   |
| 9  | Richmond Metropolitan Convention and Visitors Bureau (Richmond Region Tourism) | Jointly Governed                                  | 10/30/2020  | FY20             | Clean                   | —                                  | —                              | —              | Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.   |
| 10 | Riverside Regional Jail Authority  | Joint Venture                                     | 9/24/2020   | FY20             | Clean                   | None                               | —                              | None           | Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.   |

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|----|--|---|-------------|------------------|-------------------------|------------------------------------|--------------------------------|----------------|--|
| 11 | South Central Wastewater Authority     | Joint Venture                                     | 10/30/2020  | FY20             | Clean                   | None                               | —                              | None           | <p>Financial statements disclose environmental regulation required nutrient credit purchases of \$471,522.</p> <p>Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.</p>   |
| 12 | Virginia's Gateway Region <sup>1</sup> | Jointly Governed                                  | 12/16/2020  | FY20             | Clean                   | —                                  | —                              | —              | <p>Financial statements disclose concentration risk for pledge receivables from one organization.</p> <p>Financial statements disclose economic uncertainties resulting from the COVID-19 pandemic, however financial effects cannot be determined.</p> <p>Pandemic impacts disclosed include potential for near-term severe impact from the Virginia restrictions on trade and business activities in the geographical area in which the organization operates, financial statement estimates being materially and adversely impacted, and receiving a \$100,400 of loan proceeds from the Small Business Administration's Paycheck Protection Program (PPP).</p> |

**Footnote(s):**

<sup>1</sup>The County withdrew its membership from Virginia's Gateway Region in FY21, per the County's FY21 Annual Comprehensive Financial Report.