

COUNTY OF WASHINGTON, NEW YORK

Single Audit and
Independent Auditors' Report

December 31, 2020

COUNTY OF WASHINGTON, NEW YORK

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

Members of the Board of Supervisors
County of Washington, New York:

Report on Compliance for Each Major Federal Program

We have audited the County of Washington, New York'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 December 31, 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.

As discussed in note 1 to the schedule of expenditures of federal awards, the County's basic financial statements include the operations of certain entities whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit described below, did not include the federal awards, if any, of the entities identified in note 1.

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 (CFR) 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 of the major federal programs. 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 December 31, 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 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated June 28, 2021, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Washington County Local Development Corporation, which is a component unit of the County. Those statements were audited by other auditors whose report has been provided to us, and our opinion, insofar as it relates to amounts included for the Washington County Local Development Corporation is based solely on the report of other auditors.

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

EFPR Group, CPAs, PLLC

Williamsville, New York
June 28, 2021

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

Members of the Board of Supervisors
County of Washington, New York:

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, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Washington, New York (the County), as of and for the year ended December 31, 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 June 28, 2021. Our report includes a reference to other auditors who audited the financial statements of Washington County Local Development Corporation as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

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.

Washington County, New York's Response to Finding

Washington County, New York's response to the finding identified in our audit is described in the accompanying corrective action plan. 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 28, 2021

COUNTY OF WASHINGTON, NEW YORK
Schedule of Expenditures of Federal Awards
Year ended December 31, 2020

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-through Grantor's Number</u> | <u>Federal Expenditures</u> | <u>Expenditures to Subrecipients</u> |
|---|------------------------------------|--|---------------------------------|--|
| U.S. Department of Agriculture - passed through New York State Office of Temporary and Disability Assistance - SNAP Cluster: | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | N/A | \$ 888,084 | - |
| SNAP Partnership Grant | 10.577 | N/A | <u>470,681</u> | <u>-</u> |
| Total U.S. Department of Agriculture | | | <u>1,358,765</u> | <u>-</u> |
| U.S. Department of Housing and Urban Renewal - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | | | | |
| | 14.228 | N/A | <u>189,308</u> | <u>-</u> |
| U.S. Department of Justice - Drug Enforcement Administration: Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program | | | | |
| | 16.580 | N/A | 21,285 | - |
| Recovery Act - Edward Byrne Memorial Competitive Grant Program | 16.808 | N/A | <u>18,892</u> | <u>-</u> |
| Total U.S. Department of Justice | | | <u>40,177</u> | <u>-</u> |
| U.S. Department of Transportation: | | | | |
| Passed through New York State Department of Transportation - Highway Planning and Construction | 20.205 | N/A | <u>1,205,237</u> | <u>-</u> |
| National Traffic Safety Board Administration passed through New York State Traffic Safety Board - Highway Safety Cluster: | | | | |
| State and Community Highway Safety | 20.600 | <small>DMV01-T006323-3700393 DMV01-T006473-3700393</small> | 20,874 | - |
| Occupant Protection Incentive Grants | 20.602 | <small>DMV1-T005992-3700393</small> | <u>4,433</u> | <u>-</u> |
| Total Highway Safety Cluster | | | <u>25,307</u> | <u>-</u> |
| Total U.S. Department of Transportation | | | <u>1,230,544</u> | <u>-</u> |
| U.S. Department of Treasury - Equitable Sharing Program | 21.016 | N/A | <u>41,666</u> | <u>-</u> |
| U.S. Department of Education - passed through NYS Department of Health - Special Education - Grants for Infants and Families | 84.181 | <small>DOH01-C3167066-3450000</small> | <u>12,846</u> | <u>-</u> |

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF WASHINGTON, NEW YORK
Schedule of Expenditures of Federal Awards, Continued

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-through Grantor's Number</u> | <u>Federal Expenditures</u> | <u>Expenditures to Subrecipients</u> |
|--|------------------------------------|--|---------------------------------|--|
| U.S. Department of Health and Human Services: | | | | |
| Passed through New York State: | | | | |
| Aging Cluster: | | | | |
| Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services | 93.043 | N/A | \$ 8,228 | - |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | N/A | 78,193 | - |
| CARES Act - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers | 93.044 | N/A | 34,326 | - |
| Special Programs for the Aging - Title III, Part C - Nutrition Services | 93.045 | N/A | 112,184 | - |
| CARES Act - Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.045 | N/A | 116,678 | - |
| Nutrition Services Incentive Program | 93.053 | N/A | <u>63,991</u> | <u>-</u> |
| Total Aging Cluster | | | <u>413,600</u> | <u>-</u> |
| National Family Caregiver Support - Title III, Part E | 93.052 | N/A | 25,603 | - |
| CARES Act - National Family Caregiver Support, Title III, Part E | 93.052 | N/A | 18,502 | - |
| Immunization Cooperative Agreements | 93.268 | C028328 | 14,244 | - |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | N/A | 5,239 | - |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | N/A | 117,233 | - |
| Affordable Care Act - Medicare Improvements For Patients and Providers | 93.518 | N/A | 12,661 | - |
| Promoting Safe and Stable Families | 93.556 | N/A | 53,482 | - |
| Temporary Assistance for Needy Families (TANF) | 93.558 | N/A | 4,869,860 | - |
| Child Support Enforcement | 93.563 | N/A | 403,204 | - |
| Low-Income Home Energy Assistance | 93.568 | N/A | 3,515,461 | - |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | N/A | 25,665 | - |
| Foster Care - Title IV-E | 93.658 | N/A | 498,905 | - |
| Adoption Assistance | 93.659 | N/A | 622,228 | - |
| Social Services Block Grant | 93.667 | N/A | 141,349 | - |

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF WASHINGTON, NEW YORK
Schedule of Expenditures of Federal Awards, Continued

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-through Grantor's Number</u> | <u>Federal Expenditures</u> | <u>Expenditures to Subrecipients</u> |
|--|------------------------------------|--|---------------------------------|--|
| U.S. Department of Health and Human Services, Continued: | | | | |
| Passed through New York State, Continued: | | | | |
| Children's Health Insurance Program (CHIP) | 93.767 | N/A | \$ 56,336 | - |
| Medical Assistance Program | 93.778 | N/A | 79,771,080 | - |
| Centers for Medicare and Medicaid Services (CMS) | | | | |
| Research, Demonstrations and Evaluations | 93.779 | N/A | <u>29,245</u> | <u>-</u> |
| Total passed through New York State | | | 90,593,897 | - |
| Passed through Hudson Headquarters Health Network - TANF | 93.558 | N/A | 92,502 | - |
| Passed through Health Research Inc. - Public Health Emergency Preparedness | 93.069 | INU90TP9220090100 | <u>27,391</u> | <u>-</u> |
| Total U.S. Department of Health and Human Services | | | <u>90,713,790</u> | <u>-</u> |
| U.S. Department of Homeland Security - U.S. Federal Emergency Management Agency - passed through NYS Division of Homeland Security and Emergency Services: | | | | |
| Homeland Security Grant Program | 97.067 | T150280 | 83,289 | - |
| Emergency Management Performance Grants | 97.042 | T837685 | <u>13,967</u> | <u>-</u> |
| Total U.S. Federal Emergency Management Agency | | | <u>97,256</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u>\$93,684,352</u> | <u>-</u> |

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF WASHINGTON, NEW YORK
Notes to Schedule of Expenditures of Federal Awards
December 31, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of all Federal awards programs administered by the County of Washington, New York (the County), an entity as defined in note 1 to the County's financial statements, except that it does not include the Federal financial assistance programs, if any, of the Washington County Local Development Corporation.

(2) Basis of Accounting

The basis of accounting varies by Federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for the respective program and periods. The amounts reported in these Federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the financial statements.

(3) Indirect Costs

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The County does not use the 10% de minimis election.

(4) Matching Costs

The County's share of certain program costs are not included in the reported expenditures.

(5) Nonmonetary Federal Programs

The County is the recipient of a Federal financial assistance program that does not result in cash receipts or disbursements, termed "nonmonetary programs." During the year ended December 31, 2020, the County distributed \$20,409,024 of food vouchers to eligible persons participating in the Supplemental Nutrition Assistance Program (CFDA No. 10.561) and \$79,086,280 of medical services and goods were received by participants in the Medical Assistance Program (CFDA No. 93.778). However, the Supplemental Nutrition Assistance Program's nonmonetary amount is not reflected in the schedule of expenditures of federal awards, as requested by the U.S. Department of Agriculture.

New York State makes payments of benefits directly to vendors, primarily utility companies, on behalf of eligible persons participating in the Low-Income Home Energy Assistance. Included in the amount presented on the schedule of expenditures of federal awards is \$3,411,414 in direct payments.

COUNTY OF WASHINGTON, NEW YORK
 Schedule of Findings and Questioned Costs
 Year ended December 31, 2020

Part I. - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

- | | |
|--|----------------------------------|
| Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP: | Unmodified |
| Internal control over financial reporting: | |
| 1. Material weakness(es) identified? | ___ Yes <u> X </u> No |
| 2. Significant deficiency(ies) identified not considered to be material weakness(es)? | <u> X </u> Yes ___ None reported |
| 3. Noncompliance material to financial statements noted? | ___ Yes <u> X </u> No |

Federal Awards:

- | | |
|---|----------------------------------|
| Internal control over major programs: | |
| 4. Material weakness(es) identified? | ___ Yes <u> X </u> No |
| 5. Significant deficiency(ies) identified not considered to be material weakness(es)? | ___ Yes <u> X </u> None reported |

Type of auditors' report issued on compliance for major programs: Unmodified

- | | |
|--|-----------------------|
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance): | ___ Yes <u> X </u> No |
|--|-----------------------|

7. The County's major programs audited were:

| <u>Name of Federal Programs</u> | <u>CFDA Number</u> |
|-----------------------------------|--------------------|
| Medical Assistance Program | 93.778 |
| Highway Planning and Construction | 20.205 |

- | | |
|---|-----------------------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs. | \$2,801,531 |
| 9. Auditee qualified as low-risk auditee? | <u> X </u> Yes ___ No |

Part II - FINANCIAL STATEMENT FINDINGS SECTION

See page 11.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings and questioned costs.

COUNTY OF WASHINGTON, NEW YORK
Schedule of Findings and Questioned Costs, Continued

Part II - FINANCIAL STATEMENT FINDINGS SECTION

(2020-001) - Risk Assessment

Criteria - Risk assessment and monitoring its risk assessment is an important criteria of internal control over financial reporting. Risk should be assessed by the County to assist with the establishment of relevant operating procedures and to ensure sufficient internal control over financial reporting.

Condition - Management or the Board of Supervisors of Washington County have not documented a risk assessment over the financial operations of the County. This is a repeat finding from 2007 through 2019.

Effect of Condition - By not assessing and documenting risks, the County is taking a chance that a significant risk of misappropriation and/or misstatement of the financial statements exists and is not being considered in the preparation of its financial statements.

Recommendation - Management and the Board of Supervisors should conduct a risk assessment regarding the County's financial operations. The assessment should be documented and maintained as part of the County's formal policies and procedures, and monitored to address specific risks identified.

Management's Response - See corrective action plan provided by management on page 13.

COUNTY OF WASHINGTON, NEW YORK

Status of Prior Audit Findings

Year ended December 31, 2020

Finding 2019-001

Condition - Management nor the Board of Supervisors of Washington County have documented any form of risk assessment over the financial operations of the County.

Status - Repeated in 2020 as finding 2020-001.



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COUNTY OF WASHINGTON, NEW YORK

Corrective Action Plan

Year ended December 31, 2020

To Whom It May Concern:

There was one (1) finding reported for corrective action in Washington County's single audit of December 31, 2020. The finding and County response are listed below:

Finding 2020-001

Criteria - Risk should be assessed by an entity to assist with the establishment of relevant operating procedures and to ensure sufficient internal control.

Condition - Neither management nor the Board of Supervisors of Washington County have documented a formal risk assessment over the financial operations of the County. This is a repeat finding from 2007 to 2020.

Context - The fact that the County has not conducted a risk assessment each year has been noted in its response to the question on their Annual Update Document filed with New York State.

Effect - By not studying risks and not documenting the study, the County is taking a chance that a significant risk of misappropriation and/or misstatement of the financial statements exists and is not being considered in the preparation of its financial statements.

Cause of Condition - The County has not completed a risk assessment of its operating procedures relevant to its fiscal operations.

Recommendation - Management and the Board of Supervisors should conduct a risk assessment regarding the County's financial operations. The assessment should be documented and maintained as part of the County's formal policies and procedures.

Views of Responsible Officials and Planned Corrective Actions - The County will develop a formal risk assessment of financial operations to be approved by the Board of Supervisors. The assessment will be reviewed and updated by the Financial Committee of the Board of Supervisors. It is unclear at this time when the corrective action plan will be completed.

The County will send this finding and response to the appropriate committee to ensure follow-up occurs.