

COUNTY OF AUGUSTA, VIRGINIA

COMPLIANCE AUDIT PURSUANT TO 2 CFR PART 200 (SINGLE AUDIT REPORT)

YEAR ENDED JUNE 30, 2020



ASSURANCE, TAX & ADVISORY SERVICES

COUNTY OF AUGUSTA, VIRGINIA

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**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**

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

We have audited, 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 *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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (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 14, 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) to determine the 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 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of 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*.

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.

YBmares, LLP

Harrisonburg, Virginia
December 14, 2020



**INDEPENDENT AUDITOR’S 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 Augusta, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Augusta, Virginia’s (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 auditor’s 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.

Auditor’s 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 Uniform Guidance require 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 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 auditing procedures 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. We did not identify any deficiencies in internal control over compliance we considered to be material weaknesses. However, material weakness may exist that have not been identified.

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 the 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 unit, each major fund, and the aggregate remaining fund information of the County of Augusta, Virginia (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 14, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

YB Mares, LLP

Harrisonburg, Virginia
June 1, 2021

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Agriculture:				
Pass-Through Payments:				
Department of Agriculture:				
Watershed Rehabilitation Program	10.916	Upper North River #10	\$ -	\$ 1,871,788
Child Nutrition Cluster:				
Commodity Distributions	10.555	Not Provided	-	392,738
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	Not Provided	-	760,429
COVID-19 School Breakfast Program	10.553	Not Provided	-	618,493
National School Lunch Program	10.555	Not Provided	-	1,384,830
COVID-19 National School Lunch Program	10.555	Not Provided	-	990,700
Total Child Nutrition Cluster				<u>4,147,190</u>
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	Not Provided	-	129,102
Total Forest Service Schools and Roads Cluster				<u>129,102</u>
Department of Social Services:				
SNAP Cluster:				
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Provided	-	1,508,122
Total SNAP Cluster				<u>1,508,122</u>
Total Department of Agriculture - pass-through payments				<u>7,656,202</u>
Total Department of Agriculture				<u>7,656,202</u>
Department of the Interior:				
Direct payments:				
Bureau of Land Management:				
Payments in Lieu of Taxes	15.226	N/A	-	573,613
Natural Resource Damage Assessment, Restoration and Implementation	15.658	F18AC00153	-	20,096
Total Department of the Interior - direct payments				<u>593,709</u>
Department of Justice:				
Direct payments:				
Bulletproof Vest Partnership Program	16.607	2103 Regular Fund	-	7,569
Total Department of Justice - direct payments				<u>7,569</u>
Department of Justice:				
Pass-Through Payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance (VW)	16.575	20-Z8564VW18	-	83,020
Violence Against Women Formula Grants (DV)	16.588	19-U3161VA18	-	(14,391)
Violence Against Women Formula Grants (DV)	16.588	20-V3161VA19	-	31,020
Violence Against Women Formula Grants (SANE)	16.588	19-O4704VA18	-	7,062
Violence Against Women Formula Grants (SANE)	16.588	20-P4704VA19	-	4,555
Total Department of Justice - pass-through payments				<u>111,266</u>
Total Department of Justice				<u>118,835</u>
Department of Transportation:				
Pass-Through Payments:				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	154AL-2020-50217-20217	-	25,842
Alcohol Open Container Requirements	20.607	154AL-2019-59158-9158	-	6,727
Selective Enforcement-Alcohol	20.616	FSC-2020-50223-20223	-	14,205
Selective Enforcement-Speed	20.607	FSC-2019-59174-9174	-	4,625
Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction Cluster	20.205	Scholastic Way	-	164,098
Total Highway Planning and Construction Cluster				<u>164,098</u>
Total Department of Transportation - pass-through payments				<u>215,497</u>
Department of the Treasury:				
Pass-Through Payments:				
Department of Accounts				
COVID-19 Coronavirus Relief Fund	21.019	Not Provided	-	4,091,913
Total Department of Treasury - pass-through payments				<u>4,091,913</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Federal Grantor/ Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number) / Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Education:				
Pass-Through Payments:				
Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	Not Provided	\$ -	\$ 1,340,260
Special Education Cluster:				
Special Education - Grants to States	84.027	Not Provided	-	2,020,455
Special Education - Preschool Grants	84.173	Not Provided	-	63,285
Total Special Education Cluster				<u>2,083,740</u>
Title III Part A: Strengthening Institutions Programs	84.031	Not Provided	-	2,963
Career and Technology Education: Basic Grants to States	84.048	Not Provided	-	146,513
Special Education - Grants for Infants and Families	84.181	Not Provided	-	77,473
Supporting Effective Instruction	84.367	Not Provided	-	244,059
Student Support and Academic Enrichment Program	84.424	Not Provided	-	<u>85,200</u>
Total Department of Education pass-through payments				<u>3,980,208</u>
Department of Health and Human Services:				
Direct Payments:				
Head Start Cluster				
Head Start	93.600	N/A	-	3,338,068
Total Head Start Cluster				<u>3,338,068</u>
COVID-19 Provider Relief Fund	93.498	N/A	-	<u>69,222</u>
Total Dept. Health & Human Services - direct payments				<u>3,407,290</u>
Pass-Through Payments:				
Department of Social Services:				
Promoting Safe and Stable Families	93.556	Not Provided	-	38,494
Temporary Assistance for Needy Families	93.558	Not Provided	-	906,745
Refugee and Entrant Assistance - State Administered Programs	93.566	Not Provided	-	1,517
Low Income Home Energy Assistance	93.568	Not Provided	-	165,106
Child Care and Development Cluster:				
Child Care and Development Block Grant	93.575	Not Provided	-	(133)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Not Provided	-	164,052
Child Care and Development Cluster Total				<u>163,919</u>
Chafee Education and Training Vouchers Program (ETV)	93.599	Not Provided	-	5,739
Adoption and Legal Guardianship Incentive Payments	93.603	Not Provided	-	4,997
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Provided	-	1,607
Foster Care - Title IV-E	93.658	Not Provided	-	709,512
Adoption Assistance	93.659	Not Provided	-	863,886
Social Services Block Grant	93.667	Not Provided	-	754,864
Chafee Foster Care Independence Program	93.674	Not Provided	-	19,118
Children's Health Insurance Program	93.767	Not Provided	-	28,210
Medicaid Cluster:				
Medical Assistance Program (Title XIX)	93.778	Not Provided	-	1,616,509
Medicaid Cluster Total				<u>1,616,509</u>
Total Dept. Health & Human Services - pass-through payments				<u>5,280,223</u>
Total Department Health and Human Services				<u>8,687,513</u>
U.S. Department of Homeland Security:				
Pass-Through Payments:				
Department of Emergency Management:				
Homeland Security Grant Program	97.067	Not provided	-	64,951
Emergency Management Performance Grant	97.042	2017 EMPG	-	<u>14,882</u>
Total Department of Homeland Security - pass-through payments				<u>79,833</u>
Total Expenditures of Federal Awards				<u>\$ 25,423,710</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the County of Augusta, Virginia and Component Unit School Board (County) under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

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

Note 4. Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

COUNTY OF AUGUSTA, VIRGINIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020**

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness identified? _____ Yes No

Significant deficiencies identified? _____ Yes None Reported

Noncompliance material to financial statements noted? _____ Yes No

Federal Awards

Internal control over major programs:

Material weakness identified? _____ Yes No

Significant deficiencies identified? _____ Yes None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? _____ Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.916	Watershed Rehabilitation Program
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs \$762,711

Auditee qualified as low-risk auditee? Yes _____ No

Section II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III. FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

COUNTY OF AUGUSTA, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from prior audit's Summary Schedule of Prior Audit Findings.