

COUNTY OF AUGUSTA, VIRGINIA

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

YEAR ENDED JUNE 30, 2021



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, 2021 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 2, 2021.

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 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 2, 2021



**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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 2, 2021, which contained unmodified opinions on those financial statements. 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 used to prepare the basic 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.

PBMares, LLP

Harrisonburg, Virginia
March 2, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title (Pass-Through Grantor's Number)/ Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Agriculture:				
Pass-Through Payments:				
Department of Emergency Services:				
Watershed Rehabilitation Program	10.916	Upper North River #10	\$ -	\$ 473,873
Department of Agriculture:				
Child Nutrition Cluster:				
Commodity Distributions	10.555	Not Provided	-	462,372
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	Not Provided	-	930,693
COVID-19 School Breakfast Program	10.553	Not Provided	-	244,234
National School Lunch Program	10.555	Not Provided	-	1,617,204
COVID-19 National School Lunch Program	10.555	Not Provided	-	397,437
Total Child Nutrition Cluster			-	3,651,940
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	Not Provided	-	118,542
Total Forest Service Schools and Roads Cluster			-	118,542
Department of Social Services:				
SNAP Cluster:				
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Provided	-	1,752,951
Total SNAP Cluster			-	1,752,951
Total Department of Agriculture - pass-through payments			-	5,997,306
Total Department of Agriculture			-	5,997,306
Department of the Interior:				
Direct payments:				
Bureau of Land Management:				
Payments in Lieu of Taxes	15.226	N/A	-	575,990
Natural Resource Damage Assessment and Restoration	15.658	F18AC00153	-	15,769
Total Department of the Interior - direct payments			-	591,759
Department of Justice:				
Direct payments:				
Bulletproof Vest Partnership Program	16.607	2020 Funds	-	2,552
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	22020-AR-BX-0052	-	66,962
Total Department of Justice - direct payments			-	69,514
Department of Justice:				
Pass-Through Payments:				
Department of Criminal Justice Services:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0141	-	49,883
Crime Victim Assistance (VW)	16.575	21-A8564VW19	-	83,020
Violence Against Women Formula Grants (DV)	16.588	20-V3161VA19	-	31,020
Violence Against Women Formula Grants (SANE)	16.588	20-P4704VA19	-	2,143
Violence Against Women Formula Grants (SANE)	16.588	21-Q4704VA20	-	3,683
Total Department of Justice - pass-through payments			-	169,749
Total Department of Justice			-	239,263

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title (Pass-Through Grantor's Number)/ Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Transportation:				
Pass-Through Payments:				
Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	154AL-2020-50217-20217	\$ -	\$ 35,536
Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction Cluster	20.205	Verona Pedestrian	-	45,072
Total Highway Planning and Construction Cluster			-	45,072
Total Department of Transportation - pass-through payments			-	80,608
Department of the Treasury:				
Pass-Through Payments:				
Department of Accounts:				
COVID-19 Coronavirus Relief Fund	21.019	Not Provided	-	9,163,652
COVID-19 Coronavirus Relief Fund	21.019	Not Provided	-	1,728,283
COVID-19 Coronavirus Relief Fund - Broadband	21.019	Not Provided	900,441	900,441
COVID-19 Coronavirus Relief Fund - Municipal Utility Relief	21.019	Not Provided	42,679	42,679
Total Department of the Treasury - pass-through payments			943,120	11,835,055
Department of Elections:				
Pass-Through Payments:				
Department of Accounts:				
COVID-19 Election Security Grants	90.404	Not Provided	-	(7,608)
Total Department of Elections - pass-through payments			-	(7,608)
Department of Education:				
Pass-Through Payments:				
Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	Not Provided	-	1,259,291
Special Education Cluster:				
Special Education - Grants to States	84.027	Not Provided	-	2,584,627
Special Education - Preschool Grants	84.173	Not Provided	-	63,598
Total Special Education Cluster			-	2,648,225
Career and Technology Education: Basic Grants to States	84.048	Not Provided	-	147,098
Special Education - Grants for Infants and Families	84.181	Not Provided	-	79,681
English Language Acquisition State Grants	84.365	Not Provided	-	33,461
Supporting Effective Instruction State Grants	84.367	Not Provided	-	245,443
Student Support and Academic Enrichment Program	84.424	Not Provided	-	55,407
Education Stabilization Fund:				
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	Not Provided	-	281,163
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	Not Provided	-	4,173,012
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	Not Provided	-	1,104,106
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Provided	-	611,468
Total Education Stabilization Fund			-	6,169,749
Total Department of Education pass-through payments			-	10,638,355

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title (Pass-Through Grantor's Number)/ Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Direct Payments:				
Head Start Cluster:				
Head Start	93.600	N/A	\$ -	\$ 3,557,677
Total Head Start Cluster			<u>-</u>	<u>3,557,677</u>
Total Dept. of Health & Human Services - direct payments			<u>-</u>	<u>3,557,677</u>
Pass-Through Payments:				
Department of Social Services:				
MaryLee Allen Promoting Safe and Stable Families Program				
Program	93.556	Not Provided	-	45,951
Temporary Assistance for Needy Families	93.558	Not Provided	-	737,660
COVID-19 Temporary Assistance for Needy Families	93.558	Not Provided	-	210,529
Refugee and Entrant Assistance - State Administered Programs				
Programs	93.566	Not Provided	-	1,667
Low Income Home Energy Assistance	93.568	Not Provided	-	119,958
Child Care and Development Cluster:				
Child Care Mandatory and Matching Funds of the Child Development Fund	93.596	Not Provided	-	159,759
Child Care and Development Cluster Total			<u>-</u>	<u>159,759</u>
Chafee Education and Training Vouchers Program (ETV)	93.599	Not Provided	-	6,524
Adoption and Legal Guardianship Incentive Payments	93.603	Not Provided	-	3,000
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Provided	-	444
Foster Care - Title IV-E	93.658	Not Provided	-	619,981
Adoption Assistance	93.659	Not Provided	-	876,967
Social Services Block Grant	93.667	Not Provided	-	665,003
John H. Chafee Foster Care Program for Successful Transition to Adulthood				
Program	93.674	Not Provided	-	24,718
Children's Health Insurance Program	93.767	Not Provided	-	18,358
Medicaid Cluster:				
Medical Assistance Program	93.778	Not Provided	-	1,347,983
Medicaid Cluster Total			<u>-</u>	<u>1,347,983</u>
Total Dept. of Health & Human Services - pass-through payments			<u>-</u>	<u>4,838,502</u>
Total Department of Health and Human Services			<u>-</u>	<u>8,396,179</u>
U.S. Department of Homeland Security:				
Pass-Through Payments:				
Department of Emergency Management:				
Tech Rescue - Regional Grant City of Harrisonburg	97.067	7918	-	2,028
Homeland Security Grant Program	97.067	Not provided	-	35,799
Emergency Management Performance Grant	97.042	Not provided	-	14,882
Assistance to Firefighters Grant	97.044	EMW-2019-FG-04635	-	80,912
Assistance to Firefighters Grant	97.044	EMW-2020-FG-01668	-	62,769
Total U.S. Department of Homeland Security - pass-through payments			<u>-</u>	<u>196,390</u>
Total Expenditures of Federal Awards			<u>\$ 943,120</u>	<u>\$ 37,967,307</u>

COUNTY OF AUGUSTA, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2021

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, 2021. The information in the 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, 2021**

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:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund
84.010	Title I: Grant to Local Education Agencies
Child Nutrition Cluster:	
10.553	School Breakfast Program
10.553	COVID-19 School Breakfast Program
10.555	National School Lunch Program
10.555	COVID-19 National School Lunch Program
10.555	Commodity Distributions
Special Education Cluster:	
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
Education Stabilization Fund:	
84.425C	COVID-19 Governor’s Emergency Education Relief (GEER) Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)

COUNTY OF AUGUSTA, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2021

Section I. SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish between type A and type B programs \$1,139,019

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, 2021

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.