

COUNTY OF ONONDAGA, NEW YORK

**REPORTS REQUIRED BY THE UNIFORM GUIDANCE
AND GOVERNMENT AUDITING STANDARDS**

DECEMBER 31, 2018

Bonadio & Co., LLP
Certified Public Accountants

COUNTY OF ONONDAGA, NEW YORK

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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 BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

May 3, 2019

The Honorable J.Ryan McMahon II, County Executive, Honorable Members of
the County Legislature and The Honorable Matthew J. Beadnell, County
Comptroller
County of Onondaga, New York:

We have audited, in accordance with 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Onondaga, New York (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 3, 2019. Our report includes a reference to other auditors who audited the financial statements of Onondaga County Community College, Onondaga Civic Development Corporation, Friends of the Rosamond Gifford Zoo, and Onondaga County Industrial Development Agency as described in our report on County of Onondaga, New York'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. The financial statements of Friends of the Rosamond Gifford Zoo were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financing 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 that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did identify a deficiency in internal control within the Greater Syracuse Soundstage Development Corporation, a blended component unit of the County, which is described in the accompanying schedule of findings and responses as item 2018-001 that we consider to be a material weakness.

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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 BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(Continued)

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

Bonadio & Co., LLP

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

June 24, 2019

The Honorable County Executive, J.Ryan McMahon II, Honorable Members of the County Legislature and Honorable County Comptroller Matthew J. Beadnell
County of Onondaga, New York:

Report on Compliance for Each Major Federal Program

We have audited the County of Onondaga, New York's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. 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.

The County's basic financial statements include the operations of Onondaga Community College, Onondaga County Housing Development Fund Company, Friends of the Rosamond Gifford Zoo, Onondaga County Industrial Development Agency, Onondaga Tobacco Asset Securitization Corporation, Onondaga Civic Development Corporation, Onondaga County Convention Hotel Development Corporation (OCCHDC), Greater Syracuse Soundstage Development Corporation, whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2018. Our audit, described below, did not include the federal awards of the above entities as these entities conducted separate audits in accordance with the Uniform Guidance, if required.

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 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.

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(Continued)

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

(Continued)

Auditor's Responsibility

(Continued)

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 December 31, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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.

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.

(Continued)

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

Report on Internal Control over Compliance

(Continued)

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 and therefore, material weaknesses or significant deficiencies may exist that may not have been identified. We did identify certain a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-002, that we consider to be a material weakness.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the responses.

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

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 of Onondaga, New York (the County) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 3, 2019, 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. We have not performed any procedures with respect to the audited financial statements subsequent to May 3, 2019. 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.

Bonadio & Co., LLP

COUNTY OF ONONDAGA, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Program Title or Cluster Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture:				
Pass-Through NYS Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	C-030426GG	\$ 2,308,773	
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		<u>6,361,776</u>	
Total WIC			<u>8,670,549</u>	
Pass-Through New York State (NYS) Department of Family Assistance:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		5,633,003	
Pass-Through NYS Department of Health:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		10,597	
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	C30356GG	<u>98,815</u>	
Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program			<u>5,742,415</u>	
Total U.S. Department of Agriculture			<u>14,412,964</u>	
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218		<u>1,541,758</u>	
Emergency Solutions Grants Program	14.231		<u>172,289</u>	
Home Investment Partnerships Program	14.239		<u>248,820</u>	
Continuum of Care Program	14.267		<u>364,702</u>	
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		<u>2,052,018</u>	
Total U.S. Department of Housing and Urban Development			<u>4,379,587</u>	
U.S. Department of Justice:				
Direct Programs:				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		<u>21,000</u>	
Pass-Through NYS Division of Criminal Justice Services:				
DNA Backlog Reduction Program	16.741	DN-BX-0023	115,142	
DNA Backlog Reduction Program	16.741	DN-BX-0035	<u>29,860</u>	
Total DNA Backlog Reduction Program			<u>145,002</u>	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		<u>41,575</u>	
Total Paul Coverdell Forensic Sciences Improvement Grant Program			<u>41,575</u>	
Total U.S. Department of Justice			<u>207,577</u>	
U.S. Department of Labor:				
Pass-Through NYS Office for the Aging:				
Senior Community Service Employment Program	17.235		<u>45,304</u>	
Total U.S. Department of Labor			<u>45,304</u>	
U.S. Department of Transportation:				
Pass-Through NYS Department of Transportation:				
Highway Planning and Construction	20.205		<u>8,763,337</u>	<u>1,181,305</u>
Pass-Through NYS Governor's Traffic Safety Committee:				
State and Community Highway Safety	20.600		<u>115,675</u>	
Pass-Through NYS Office of Emergency Management				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		<u>23,548</u>	
Total U.S. Department of Transportation			<u>8,902,560</u>	
U.S. Environmental Protection Agency:				
Pass-Through NYS Department of Health:				
State Indoor Radon Grants	66.032	DOH01-T30728GG-345000	<u>4,749</u>	
Total U.S. Environmental Protection Agency			<u>4,749</u>	

COUNTY OF ONONDAGA, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education:				
Pass-Through Syracuse City School District:				
Special Education Grants to the States	84.027		<u>5,004</u>	
Pass-Through NYS Department of Health:				
Special Education - Grants for Infants and Families	84.181	C31648GG	220,619	
Special Education - Grants for Infants and Families	84.181		<u>5,428</u>	
Total Special Education - Grants for Infants and Families			<u>226,047</u>	
Total U.S. Department of Education			<u>231,051</u>	
U.S. Election Assistance Commission:				
Direct Program:				
Help America Vote Act Requirements Payments	90.401	C003233	<u>41,300</u>	
Total U.S. Election Assistance Commission			<u>41,300</u>	
U.S. Department of Health and Human Services:				
Direct Programs:				
Comprehensive Community Mental Health Svcs. for Children with Serious Emotional Disturbances	93.104		<u>1,153,037</u>	
Healthy Start Initiative	93.926	H49MC00067	<u>1,056,103</u>	
Pass-Through National Association of County and City Health Officials:				
Medical Reserve Corps Small Grant Program	93.008	MRC 1120	(901)	
Medical Reserve Corps Small Grant Program	93.008	MRC 1220	(4,825)	
Medical Reserve Corps Small Grant Program	93.008	MRC 13/14/15-0020	<u>(3,540)</u>	
Total Medical Reserve Corps Small Grant Program			<u>(9,266)</u>	
Pass-Through NYS Office for the Aging:				
Aging Cluster:				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		24,965	19,420
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		345,484	330,474
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		820,421	794,110
National Family Caregiver Support, Title III, Part E	93.052		296,899	172,676
Nutrition Services Incentive Program	93.053		<u>246,491</u>	<u>246,491</u>
Total Aging Cluster			<u>1,734,260</u>	<u>1,563,171</u>
Medicare Enrollment Assistance Program	93.071		17,738	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations, and Evaluations	93.779		<u>25,740</u>	
Total NYS Office for the Aging			<u>1,777,738</u>	
Pass-Through Health Research Inc.				
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreement	93.074	1578-10/11	195,206	
Sodium Reduction in Communities	93.082	5442 - 01/02	74,734	
Prescription Drug Overdose Prevention - Building Local Health Department Capacity	93.136	5514-01	<u>66,166</u>	
Total Health Research Inc.			<u>336,106</u>	
Pass-Through NYS Office of Mental Health:				
Projects for Assistance in Transition from Homelessness	93.150		<u>439,297</u>	<u>439,297</u>
Pass-Through NYS Department of Family Assistance:				
Refugee and Entrant Assistance - Voluntary Agency Programs	93.567		<u>1,519,877</u>	
Temporary Assistance for Needy Families	93.558		<u>40,527,629</u>	
Child Support Enforcement	93.563		<u>2,155,729</u>	
Low-Income Home Energy Assistance	93.568		<u>10,914,209</u>	
Child Care and Development Block Grant	93.575		<u>16,254,205</u>	
Stephanie Tubbs Jones Child Welfare Services Program	93.645		<u>494,424</u>	
Foster Care - Title IV-E	93.658		<u>6,124,471</u>	
Adoption Assistance	93.659		<u>3,593,550</u>	
Social Services Block Grant	93.667		<u>2,912,834</u>	
Chafee Foster Care Independence Program	93.674		<u>366,128</u>	
Total NYS Department of Family Assistance			<u>84,863,056</u>	

COUNTY OF ONONDAGA, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services (Continued):				
Pass-Through NYS Department of Health:				
Immunization Cooperative Agreements	93.268	C028306	47,262	
Affordable Care Act - Maternal, Infant and Early Childhood Home Visiting Program	93.505		384,729	
Temporary Assistance for Needy Families	93.558	C028081	200,316	
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	C31864GG	25,268	
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	C31904GG	57,000	
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977		(1,903)	
Total Preventative Health Services - Sexually Transmitted Disease Control Grants			80,365	
Preventive Health and Health Services Block Grant	93.991	C030356	19,320	
Maternal and Child Health Services Block Grant to the States	93.994	C030356GG	31,390	
Maternal and Child Health Services Block Grant to the States	93.994	C30906GG	117,389	
Total Maternal and Child Health Services Block Grant to the States			148,779	
Medical Assistance Program	93.778		661,967,938	
Pass-Through NYS Office of Alcohol and Substance Abuse Services:				
Block Grant for Prevention and Treatment of Substance Abuse	93.959		2,300,693	2,300,693
Total U.S. Department of Health and Human Services			754,765,473	
U.S. Department of Homeland Security and Emergency Services:				
Pass-Through NYS Division of Homeland Security and Emergency Services:				
Emergency Management Performance Grants	97.042		167,483	
Homeland Security Grant Program	97.067		486,023	
Total U.S. Department of Homeland Security and Emergency Services			653,506	
Total Expenditures of Federal Awards			\$ 783,644,071	

COUNTY OF ONONDAGA, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

1. BASIS OF PRESENTATION

Pass-Through Programs

Where the County of Onondaga, New York (the County) receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Catalog of Federal Domestic Assistance (CFDA) number when advised by the pass through grantor. Identifying numbers, other than CFDA numbers, which may be assigned by pass-through grantors, are not maintained in the County's financial management system. County management has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards (SEFA).

Non-Monetary Federal Programs

The County is awarded financial assistance programs that do not result in cash receipts or disbursements, termed "non-monetary programs." During the fiscal year ended December 31, 2018, the County distributed \$6,361,776 of Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) food instruments to eligible persons participating in the WIC Program (CFDA 10.557), \$10,826,248 of energy assistance to eligible persons under the Low-Income Home Energy Assistance Program (CFDA 93.568) and \$650,649,564 of medical goods and services were received by eligible persons participating in the Medical Assistance Program (CFDA 93.778), as listed in the accompanying schedule.

2. BASIS OF ACCOUNTING

The SEFA is presented in accordance with accounting principles generally accepted in the United States of America and is derived from the County's general ledger. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the SEFA up to such amounts. Negative amounts shown in the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented. The County has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. MATCHING COSTS

Matching costs (i.e., the County's share of certain program costs) are not included in the schedule of expenditures of federal awards.

COUNTY OF ONONDAGA, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Part I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiencies identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Significant deficiencies identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> 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 Uniform Guidance, 2 CFR Section 200.516(a)?

<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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The dollar threshold for distinguishing between Type A and B programs was \$3,000,000.

The major federal programs of the County for the year ended December 31, 2018 were as follows:

U.S. Department of Health and Human Services

- Adoption Assistance (93.659)
 - Low-income Home Energy Assistance (93.568)
 - Medical Assistance Program (93.778)
-
- The County was not considered a low-risk auditee for the year ended December 31, 2018.

Part II - Findings and Questioned Costs Relating to Financial Statements

Reference Number: 2018-001

Criteria:

Adequate controls must be in place that will ensure all transactions are recorded in a manner consistent with generally accepted accounting principles in the United States (U.S. GAAP).

Condition/Cause:

Management of the Greater Syracuse Soundstage Development Corporation, a blended component unit of the County, did not have a capitalization policy and/or means for consistently identifying and recording capital assets through purchases or other means such as contributions from third parties. In addition, depreciation expense was not calculated and recorded for the year ending December 31, 2018.

Effect:

Net capital assets of the Greater Syracuse Soundstage Development Corporation were materially understated by approximately \$7,987,000 and required numerous material audit adjustments.

Recommendation:

We recommend that the Greater Syracuse Soundstage Development Corporation develop procedures to properly account for capital asset additions obtained throughout the year. In addition, depreciation expense should be calculated and recorded to ensure the estimated net book value of capital assets is reported in accordance with accounting principles generally accepted in the United States of America.

Management's Response:

Management agrees to develop procedures to account for capital asset additions obtained throughout the year and to calculate and record depreciation expense.

Part III - Findings and Questioned Costs Relating to Federal Awards

Reference: 2018-002

U.S. Department of Health and Human Services

Pass-through entities: NYS Department of Family Assistance

Adoption Assistance 93.659

Onondaga County Department of Social Services

Program Year: 2018

First Reported as: 11-06 in the fiscal year ending December 31, 2011

Criteria:

According to the Uniform Guidance in CFR Part 200, Part IV, Eligibility para. (1) (a), adoption assistance subsidy payments may be paid on behalf of a child only if all of the requirements are met. These requirements are to be evaluated on the LDSS-3912 Adoption Assistance Eligibility Checklist.

According to the Uniform Guidance in CFR Part 200, Part IV, Eligibility para. (2) (g), once a child is determined eligible to receive Title IV-E adoption assistance, he or she remains eligible and the subsidy continues until the age of 18 (or 21, if the Title IV-E agency determines that the child has a mental or physical disability which warrants the continuation of assistance).

Internal controls should provide reasonable assurance that the County complies with activities allowed or unallowed and eligibility requirements according to the Uniform Guidance.

Cause/Condition:

The following instances of noncompliance with Uniform Guidance were identified:

- In 3 of 40 cases tested, the level of difficulty was incorrectly calculated in the Adoption Subsidy Agreement or incorrectly entered into the system from the Agreement.
- In 2 of 40 cases tested, the case file was missing a Adoption Subsidy Recertification Form to continue subsidy payments resulting in known questioned costs.
- In 7 of 40 cases tested, subsidy payments were made to non-eligible individuals resulting in questioned costs of \$50,214.

The County's current policies and procedures are not operating effectively to ensure only eligible recipients are receiving payments. Specifically, the following deficiencies in internal control over compliance were identified:

- In 18 of 40 cases tested, the LDSS-3912 Adoption Assistance Eligibility Checklist was not completed properly.
- In 3 of 40 cases tested, the Supplemental to Referral to the Eligibility Unit form was not completed properly.
- In 19 of 40 cases tested, case file information in the Ventek System did not agree to the Adoption Subsidy Agreement. This system is used to generate recertification documentation.
- In 13 of 40 cases tested, the case file did not indicate specific sources of medical information reviewed and used in determining eligibility through age 21. In addition, the case file did not reflect review and approval of the determination by the Adoption Supervisor for the child to remain Title IV-E eligible until age 21.

Questioned Costs:

\$58,819 known questioned costs.

Effect:

The County was not in compliance with eligibility requirements in accordance with the Uniform Guidance, resulting in questioned costs.

Recommendation:

We recommend that the County develop and document policies and procedures to require caseworkers to cite source documents supporting the child's disability when determining Title VI-E eligibility continuation. All case files should also include review and approval notes by the Adoption Supervisor to support the Title VI-E eligibility determination made by the case worker.

It is also recommended, that the County reinforce existing policies and procedures that require a review of eligibility determination to ensure claims are properly discontinued when a case is no longer eligible. The County should reinforce existing policies and procedures that require a review of the Adoption Subsidy Agreement to ensure all calculations are appropriate and all information contained in the VenTek System matches the case file.

Management's Response:

Procedures and Internal Case Recordkeeping:

After several meetings and discussions, the subsidy team has revised processes a few times to fine-tune retention of accurate case documentation and eligibility. We have solid practices in place for initial IV-E eligibility and required documentation for ongoing IV-E eligibility. Planned meeting with the adoption supervisor to discuss methods of documentation to support ongoing IV-E eligibility when warranted. The unit will continue to request medical verification from parents for additional documentation, however, the adoption supervisor's review will remain the first source of ongoing IV-E eligibility for handicapped children.

Policies are in place for careful review of any indicators that IV-E claiming, or the subsidy payments should be discontinued. Meetings with the Financial Operations unit supervisor as needed to review and act on retro claiming, discontinuance of IV-E claiming and any procedures to correct over/under payment

Part IV – Status of Prior Year Federal Award Findings and Questioned Costs

Reference: 2017-001

Status: See current year finding 2018-002

Reason for Recurrence: See management response on next page.

Reference: 2017-002

Status: Management has taken corrective action.

Reference: 2017-003

Status: See current year finding 2018-002

Reason for Recurrence: See management response on next page.

Reference: 2017-004

Status: Management has taken corrective action.



County of Onondaga

Department of Children & Family Services

Child Welfare • Children's Mental Health • Juvenile Justice • Youth Bureau • School-based Initiatives

John H. Mulroy Civic Center

421 Montgomery Street, Syracuse, NY 13202

J. Ryan McMahon II
County Executive

www.ongov.net

Richard Gasiorowski
Commissioner

June 4, 2019

Part II – Findings and Questioned Costs Relating to Federal Awards
Reference: 2018-001 U.S. Department of Health and Human Services
Pass-through entities: NYS Department of Family Assistance
Adoption Assistance 93.659
Onondaga County Department of Social Services
Program Year: 2018
First Reported as: 11-06 in the fiscal year ending December 31, 2011

Part III – Status of Prior Year Federal Award Findings and Questioned Costs\

Reference: 2017-001

Reason for Recurrence:

Reference: 2017-004

Reason for Recurrence:

- **In September 2017 there was a transfer of responsibility of the adoption subsidy unit to a new supervisor and worker. The required adjustments for these two error cases may have been overlooked in the transition. The current adoption subsidy supervisor has scheduled a meeting with the Financial Operations supervisor to address and correct the claiming for these two cases.**

Please let me know if you have any questions regarding the audit or the information provided. I can be reached at (315) 435-2998 or via email at Richard.Gasiorowski@dfa.state.ny.us.

Regards,

Richard Gasiorowski
Commissioner, Onondaga County DCFS