

**COUNTY OF SULLIVAN,  
NEW YORK**

*Federal Awards Information  
for the Year Ended December 31, 2018 and  
Independent Auditors' Reports*



**COUNTY OF SULLIVAN, NEW YORK**  
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**Year Ended December 31, 2018**

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Certified Public Accountants

**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**

To the Honorable County Legislature of the  
County of Sullivan, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Sullivan, New York (the "County") as of and for the year ended December 31, 2018 (with the Sullivan County Community College for the year ended August 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 June 18, 2019. Our report includes a reference to other auditors who audited the financial statements of the Sullivan Tobacco Asset Securitization Corporation, Sullivan County Funding Corporation, the Sullivan County Infrastructure Local Development Corporation, Sullivan County Community College, the Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Land Bank 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. The financial statements of the Sullivan County Soil and Water Conservation District were not audited in accordance with *Government Auditing Standards*.

**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 that a material misstatement of the entity'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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.

*Drescher & Malecki LLP*

June 18, 2019

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Honorable County Legislature of the  
County of Sullivan, New York:

**Report on Compliance for Each Major Federal Program**

We have audited the County of Sullivan, New York's (the "County") compliance with the types of compliance requirements described in the Office of Management and Budget ("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, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Sullivan County Community College, which received \$6,237,270 in federal awards, which are not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2018. Our compliance audit, described below, did not include the operations of the Sullivan County Community College because other auditors were engaged to perform such audits in accordance with the Uniform Guidance.

***Management's Responsibility***

The County's 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 ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "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 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.

### **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 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 business-type activities, the aggregate 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, 2018 (with Sullivan County Community College for the year ended August 31, 2018), 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 18, 2019, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Sullivan Tobacco Asset Securitization Corporation, the Sullivan County Funding Corporation, or the Sullivan County Infrastructure Local Development Corporation, which represent 1.9 percent, 0.9 percent and 91.0 percent, respectively, of the assets, and 6.0



percent, 1.3 percent, and 1.6 percent, respectively, of the revenues of the business-type activities. We did not audit the financial statements of the Sullivan County Community College, Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, or the Sullivan County Land Bank Corporation, which represent 59.8 percent, 27.3 percent, 4.2 percent and 3.5 percent, respectively, of the assets, and 77.7 percent, 8.5 percent, 0.3 percent, and 4.8 percent, respectively, of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sullivan Tobacco Asset Securitization Corporation, the Sullivan County Funding Corporation, the Sullivan County Infrastructure Local Development Corporation, Sullivan County Community College, Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Land Bank Corporation, is based solely on the reports of such 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 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.

*Drescher & Malecki LLP*

June 18, 2019



**COUNTY OF SULLIVAN, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2018**

| Federal Grantor/Pass-Through<br>Grantor/Program Cluster Title (1a)                        | Federal<br>CFDA<br>Number (1b) | Pass-Through<br>Entity<br>Identifying<br>Number (1c) | Passed<br>Through to<br>Sub-<br>Recipients | Total<br>Federal<br>Expenditures (1d) |
|---|--------------------------------|--|--|---------------------------------------|
| <b>U.S. Department of Agriculture:</b>  |                                |  |  |                                       |
| Passed through NYS Office of Temporary and Disability Assistance:                         |                                |  |  |                                       |
| <i>SNAP Cluster:</i>  |                                |  |  |                                       |
| State Administrative Matching Grants for the<br>Supplemental Nutrition Assistance Program | 10.561                         | N/A  | \$ -                                       | \$ 1,020,673                          |
| <i>Total SNAP Cluster</i>   |                                |  | -  | 1,020,673                             |
| Passed through NYS Department of Health:  |                                |  |  |                                       |
| Special Nutrition Program for Women, Infants, and Children                                | 10.557                         | C30468GG   | -  | 534,552                               |
| <b>Total U.S. Department of Agriculture</b>   |                                |  | -  | 1,555,225                             |
| <b>U.S. Department of Housing and Urban Development:</b>                                  |                                |  |  |                                       |
| Passed through NYS Community Planning and Development:                                    |                                |  |  |                                       |
| Community Development Block Grant/State's Program and<br>Non-Entitlement Grants in Hawaii | 14.228                         | 1126CRF-SB841-14                                     | -  | 665                                   |
| <b>Total U.S. Department of Housing and Urban Development</b>                             |                                |  | -  | 665                                   |
| <b>U.S. Department of Justice:</b>  |                                |  |  |                                       |
| Direct Program:   |                                |  |  |                                       |
| Bulletproof Vest Partnership Program  | 16.607                         | N/A  | -  | 7,348                                 |
| Equitable Sharing Program   | 16.922                         | N/A  | -  | 52,621                                |
| <b>Total U.S. Department of Justice</b>   |                                |  | -  | 59,969                                |
| <b>U.S. Department of Labor:</b>  |                                |  |  |                                       |
| Passed through NYS Office of the Aging:   |                                |  |  |                                       |
| Senior Community Service Employment   | 17.235                         | N/A  | 30,996                                     | 32,468                                |
| Passed through Westchester County:  |                                |  |  |                                       |
| H-1B Job Training Grants  | 17.268                         | N/A  | -  | 12,929                                |
| Passed through NYS Department of Labor:   |                                |  |  |                                       |
| <i>WIA/WIOA Cluster:</i>  |                                |  |  |                                       |
| WIA/WIOA Adult Program  | 17.258                         | N/A  | -  | 163,049                               |
| WIA/WIOA Administration   | 17.258                         | N/A  | -  | 51,644                                |
| WIA/WIOA Youth Activities   | 17.259                         | N/A  | -  | 160,661                               |
| WIA/WIOA Dislocated Worker Formula Grants   | 17.278                         | N/A  | -  | 127,885                               |
| <i>Total WIA/WIOA Cluster</i>   |                                |  | -  | 503,239                               |
| <b>Total U.S. Department of Labor</b>   |                                |  | 30,996                                     | 548,636                               |
| <b>U.S. Department of Transportation:</b>   |                                |  |  |                                       |
| Direct Program:   |                                |  |  |                                       |
| Airport Improvement Program   | 20.106                         | N/A  | -  | 838,689                               |
| Formula Grant for Rural Areas   | 20.509                         | N/A  | -  | 15,000                                |
| Passed through NYS Department of Transportation:  |                                |  |  |                                       |
| <i>Highway Planning and Construction Cluster:</i>   |                                |  |  |                                       |
| Highway Planning and Construction   | 20.205                         | D035609,D022078                                      | -  | 191,763                               |
| <i>Total Highway Planning and Construction Cluster</i>                                    |                                |  | -  | 191,763                               |

(continued)

**COUNTY OF SULLIVAN, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2018**

| Federal Grantor/Pass-Through<br>Grantor/Program Cluster Title (1a)                           | Federal<br>CFDA<br>Number (1b) | Pass-Through<br>Entity<br>Identifying<br>Number (1c) | Passed<br>Through to<br>Sub-<br>Recipients | Total<br>Federal<br>Expenditures (1d) |
|--|--------------------------------|--|--|---------------------------------------|
| Passed through NYS Traffic Safety Committee:   |                                |  |  |                                       |
| <i>Highway Safety Cluster:</i>   |                                |  |  |                                       |
| State and Community Highway Safety   | 20.600                         | SO-00039-53  | -  | 6,562                                 |
| Alcohol Impaired Driving Countermeasures Incentive Grants                                    | 20.601                         | C523697  | 8,413                                      | 8,413                                 |
| National Priority Safety Programs  | 20.616                         | CO-0004-53   | -  | 13,071                                |
| <i>Total Highway Safety Cluster</i>  |                                |  | <u>8,413</u>                               | <u>28,046</u>                         |
| <b>Total U.S. Department of Transportation</b>   |                                |  | <u>8,413</u>                               | <u>1,073,498</u>                      |
| <b>U.S. Environmental Protection Agency:</b>   |                                |  |  |                                       |
| Direct award:  |                                |  |  |                                       |
| Brownfields Assessment and Cleanup Cooperative Agreements                                    | 66.818                         | 96267017   | -  | 24,893                                |
| <b>Total U.S. Environmental Protection Agency</b>  |                                |  | <u>-</u>                                   | <u>24,893</u>                         |
| <b>U.S. Department of Education:</b>   |                                |  |  |                                       |
| Passed through NYS Office of Mental Health:  |                                |  |  |                                       |
| Special Education Grants for Infants and Families with Disabilities                          | 84.181                         | C31665GG   | -  | 27,148                                |
| <b>Total U.S. Department of Education</b>  |                                |  | <u>-</u>                                   | <u>27,148</u>                         |
| <b>U.S. Department of Health and Human Services:</b>   |                                |  |  |                                       |
| Direct award:  |                                |  |  |                                       |
| Promoting Safe and Stable Families   | 93.556                         | N/A  | -  | 47,578                                |
| Children's Health Insurance Program  | 93.767                         | N/A  | -  | 59,843                                |
| Passed through NYS Office of the Aging:  |                                |  |  |                                       |
| Special Programs for the Aging Title III, Part D Disease Prevention                          | 93.043                         | C48010   | 7,600                                      | 7,600                                 |
| <i>Aging Cluster:</i>  |                                |  |  |                                       |
| Special Programs for the Aging, Title III, Part B  |                                |  |  |                                       |
| Grants for Supportive Services and Senior Centers  | 93.044                         | C48001   | 65,504                                     | 106,130                               |
| Special Programs for the Aging, Title III, Part C Nutrition Services                         | 93.045                         | C48006   | 205,697                                    | 388,553                               |
| Nutrition Services Incentive Program   | 93.053                         | N/A  | -  | 39,748                                |
| <i>Total Aging Cluster</i>   |                                |  | <u>271,201</u>                             | <u>534,431</u>                        |
| National Family Caregiver Support, Title III, Part E   | 93.052                         | C48016   | 25,000                                     | 46,507                                |
| Public Health Emergency Preparedness   | 93.069                         | 1619-11/1619-12                                      | -  | 88,289                                |
| Medicare Enrollment Assistance Program   | 93.071                         | N/A  | -  | 13,380                                |
| Centers for Medicare and Medicaid Services (CMS) Research,<br>Demonstrations and Evaluations | 93.779                         | N/A  | -  | 32,053                                |
| Passed through NYS Department of Family Assistance:  |                                |  |  |                                       |
| <i>Temporary Assistance for Needy Families Cluster</i>                                       |                                |  |  |                                       |
| Temporary Assistance for Needy Families  | 93.558                         | N/A  | -  | 3,534                                 |
| Passed through NYS Department of Temporary and Disability Assistance:                        |                                |  |  |                                       |
| <i>Temporary Assistance for Needy Families Cluster</i>                                       |                                |  |  |                                       |
| Temporary Assistance for Needy Families  | 93.558                         | DFS55  | 32,000                                     | 4,799,845                             |
| <i>Total Temporary Assistance for Needy Families Cluster *</i>                               |                                |  | <u>32,000</u>                              | <u>4,803,379</u>                      |
| Child Support Enforcement, Title IV-D  | 93.563                         | N/A  | -  | 597,586                               |
| Low-Income Home Energy Assistance  | 93.568                         | N/A  | -  | 4,651,951                             |

(continued)

**COUNTY OF SULLIVAN, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2018**

| Federal Grantor/Pass-Through<br>Grantor/Program Cluster Title (1a)  | Federal<br>CFDA<br>Number (1b) | Pass-Through<br>Entity<br>Identifying<br>Number (1c) | Passed<br>Through to<br>Sub-<br>Recipients | Total<br>Federal<br>Expenditures (1d) |
|---|--------------------------------|--|--|---------------------------------------|
| <i>CCDF Cluster:</i>  |                                |  |  |                                       |
| Child Care and Development Block Grant  | 93.575                         | MOU 2211   | 91,300                                     | 796,388                               |
| <i>Total CCDF Cluster</i>   |                                |  | 91,300                                     | 796,388                               |
| Stephanie Tubbs Jones - Child Welfare Services Program  | 93.645                         | N/A  | -  | 65,765                                |
| Foster Care, Title IV-E   | 93.658                         | N/A  | -  | 1,151,038                             |
| Adoption Assistance   | 93.659                         | N/A  | -  | 168,670                               |
| Social Services Block Grant   | 93.667                         | N/A  | -  | 605,692                               |
| Chafee Foster Care Independence Program   | 93.674                         | N/A  | -  | 216,979                               |
| Passed through NYS Department of Health and Human Services:   |                                |  |  |                                       |
| Immunization Cooperative Agreements   | 93.268                         | C028323  | -  | 21,084                                |
| Injury Prevention and Control Research and State<br>and Community Based Programs  | 93.136                         | 5556-02/5556-03                                      | -  | 63,454                                |
| State and Local Public Health Actions to Prevent Obesity, Diabetes,<br>Heart Disease and Stroke/Assistance Programs for Chronic<br>Disease Prevention and Control | 93.757                         | N/A  | -  | 543                                   |
| Medical Assistance Program  | 93.778                         | N/A  | -  | 1,282,600                             |
| Maternal and Child Health Services Block Grant  | 93.994                         | C30923GG,C32687GG                                    | -  | 30,618                                |
| <b>Total U.S. Department of Health and Human Services</b>   |                                |  | 427,101                                    | 15,285,428                            |
| <b>Corporation for National Community Services:</b>   |                                |  |  |                                       |
| Direct Program:   |                                |  |  |                                       |
| Retired and Senior Volunteer Program  | 94.002                         | N/A  | -  | 209,841                               |
| <b>Total Corporation for National Community Services</b>  |                                |  | -  | 209,841                               |
| <b>U.S. Department of Homeland Security:</b>  |                                |  |  |                                       |
| Passed through NYS Department of Homeland Security:   |                                |  |  |                                       |
| Emergency Management Performance Grant  | 97.042                         | T176455  | -  | 30,451                                |
| Emergency Management Performance Grant  | 97.042                         | T176465  | -  | 32,812                                |
| Emergency Management Performance Grant  | 97.042                         | T973875  | -  | 33,858                                |
| Total Emergency Management Performance Grant  |                                |  | -  | 97,121                                |
| Homeland Security Grant Program   | 97.067                         | C973850  | -  | 95,437                                |
| Homeland Security Grant Program   | 97.067                         | C973852  | -  | 25,671                                |
| Homeland Security Grant Program   | 97.067                         | C973860  | -  | 7,241                                 |
| Homeland Security Grant Program   | 97.067                         | C973870  | -  | -                                     |
| Homeland Security Grant Program   | 97.067                         | C973882  | -  | 3,029                                 |
| Total Homeland Security Grant Program   |                                |  | -  | 131,378                               |
| <b>Total U.S. Department of Homeland Security</b>   |                                |  | -  | 228,499                               |
| <b>Total Expenditures of Federal Awards (1e)</b>  |                                |  | \$ 466,510                                 | \$ 19,013,802                         |

\* Total *Temporary Assistance for Needy Families Cluster* includes amounts passed through NYS Department of Family Assistance.

(concluded)

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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**COUNTY OF SULLIVAN, NEW YORK**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2018**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Sullivan, New York (the "County") under programs of the federal government for the year ended December 31, 2018. The information in the Schedule is presented in accordance with the requirements of the 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 position or cash flows of the County. The following notes were identified on the Schedule:

- (a) Includes all federal award programs of the County of Sullivan, New York. The federal expenditures of the Sullivan Tobacco Asset Securitization Corporation, Sullivan County Funding Corporation, the Sullivan County Infrastructure Local Development Corporation, Sullivan County Community College, the Sullivan County Soil and Water Conservation District, the Sullivan County Industrial Development Agency, the Emerald Corporate Center Economic Development Corporation, and the Sullivan County Land Bank Corporation have not been included.
- (b) Source: Catalog of Federal Domestic Assistance.
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the basic financial statements is available.

**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 limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The County has not elected to use the 10 percent de minimus indirect cost rate, as allowed under the Uniform Guidance.

**3. NONCASH AWARDS**

Included in the amounts reported for CFDA No. 93.568 Low-Income Home Energy Assistance ("HEAP") are payments to utility vendors totaling \$4,602,242. These payments are issued directly from the New York State Office of the State Comptroller. The payments are processed through the State-wide Financial System.

**4. AMOUNTS PROVIDED TO SUBRECIPIENTS**

Certain program funds are passed through the County to subrecipient organizations. The County identifies, to the extent practical, the total amount provided to subrecipients from each federal program, however, the Schedule does not contain separate schedules disclosing how the subrecipients outside of the County's control utilize the funds. The County requires subrecipients receiving funds to submit separate audit reports disclosing the use of the program funds.

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**COUNTY OF SULLIVAN, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2018**

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**Section I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of report the auditor issued: Unmodified\*  
 \*(which report includes a reference to other auditors)

Internal control over financial reporting:

|   |           |   |  |
|---|-----------|---|--|
| Material weakness(es) identified?                         | _____ Yes | _____ <input checked="" type="checkbox"/> No            |  |
| Significant deficiency(ies) identified?                   | _____ Yes | _____ <input checked="" type="checkbox"/> None reported |  |
| Noncompliance material to the financial statements noted? | _____ Yes | _____ <input checked="" type="checkbox"/> No            |  |

**Federal Awards:**

Internal control over major federal programs:

|   |           |   |  |
|---|-----------|---|--|
| Material weakness(es) identified?       | _____ Yes | _____ <input checked="" type="checkbox"/> No            |  |
| Significant deficiency(ies) identified? | _____ Yes | _____ <input checked="" type="checkbox"/> None reported |  |

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

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

Identification of major federal programs:

| <u>Name of Federal Program or Cluster</u> | <u>CFDA Number(s)</u>  |
|---|------------------------|
| SNAP Cluster                              | 10.561                 |
| Aging Cluster                             | 93.044, 93.045, 93.053 |
| TANF Cluster                              | 93.558                 |
| CCDF Cluster                              | 93.575                 |
| Foster Care, Title IV-E                   | 93.658                 |

Dollar threshold used to distinguish between Type A and Type B programs? \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_  Yes \_\_\_\_\_ No

**Section II. FINANCIAL STATEMENT FINDINGS**

No findings noted.

**Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings noted.

**COUNTY OF SULLIVAN, NEW YORK**  
**Summary Schedule of Prior Year Audit Findings**  
**Year Ended December 31, 2018**  
**(Follow up of December 31, 2017 Findings)**

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No findings were reported.

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