

COUNTY OF CHEMUNG - STATE OF NEW YORK

SINGLE AUDIT REPORT

DECEMBER 31, 2021

COUNTY OF CHEMUNG - STATE OF NEW YORK

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	1 - 3
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 <i>GOVERNMENT AUDITING STANDARDS</i>	4 - 5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6 - 7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8 - 9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10 - 12
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	13

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

To the Members of the County Legislature
County of Chemung - State of New York
Elmira, New York

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the County of Chemung, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County of Chemung's major federal programs for the year ended December 31, 2021. The County of Chemung's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Federal Transit Cluster - Federal Transit - Formula Grants

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, County of Chemung complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Federal Transit Cluster - Federal Transit - Formula Grants for the year ended December 31, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County of Chemung 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2021.

Basis for Qualified and Unmodified Opinions

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Chemung and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County of Chemung's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Federal Transit Cluster - Federal Transit - Formula Grants

As described in the accompanying schedule of findings and questioned costs, County of Chemung did not comply with requirements regarding Assistance Listing No. 20.507 Federal Transit Cluster - Federal Transit Formula Grants as described in finding number 2021-001 for Subrecipient Monitoring.

Compliance with such requirements is necessary, in our opinion, for County of Chemung to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County of Chemung's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County of Chemung's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Chemung's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Chemung's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Chemung's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County of Chemung's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the County of Chemung's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County of Chemung's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report dated July 20, 2022, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Chemung County Nursing Facility, which is both a major fund and 13 percent, 4 percent and 80 percent, respectively, of the assets, net position, and revenues of the business-type activities. We did not audit the financial statements of the Chemung County Soil and Water Conservation District, which is 12 percent, 13 percent and 49 percent, respectively, of the assets, net position, and revenues of discretely presented component units. We did not audit the financial statements of the Chemung County Industrial Development Agency, which is 88 percent, 87 percent and 51 percent, respectively, of the assets, net position, and revenues of discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chemung County Nursing Facility, the Chemung County Soil and Water Conservation District and Chemung County Industrial Development Agency, is based solely on the reports of the other auditors. Our audit was performed 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.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Corning, New York

July 20, 2022 except as to Note 4, which is as of September 21, 2023

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 Members of the County Legislature
County of Chemung - State of New York
Elmira, 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 Chemung - State of New York (the "County"), as of and for the year ended December 31, 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 July 20, 2022. Our report includes a reference to other auditors who audited the financial statements of the Chemung County Soil and Water Conservation District, Chemung County Industrial Development Agency and the Chemung County Nursing Facility, 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 the auditors of the Chemung County Soil and Water Conservation District and by the auditors of the Chemung County Industrial Development Agency. The financial statements of the Chemung County Nursing Facility were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Chemung's internal control over financial reporting (internal control) as a basis for designing 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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Chemung's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Corning, New York
July 20, 2022

COUNTY OF CHEMUNG - STATE OF NEW YORK
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor (Pass-Through Entity) / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
SNAP Cluster - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (via NYS OTDA)	10.561	N/A	\$ 1,559,105	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (via NYS DOH)	10.557	N/A	1,717,740	-
Conservation Stewardship Program	10.924	N/A	<u>311,562</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,588,407</u>	<u>-</u>
Appalachian Regional Commission				
Appalachian Area Development	23.002	N/A	<u>135,000</u>	<u>-</u>
U.S. Department of Health and Human Services				
CCDF Cluster - Child Care and Development Block Grant (via NYS OCFS)	93.575	N/A	2,490,657	246,252
TANF Cluster - Temporary Assistance for Needy Families (TANF) (via NYS OTDA)	93.558	N/A	5,770,314	-
Medicaid Cluster - Medical Assistance Program (via NYS DOH)	93.778	N/A	1,503,769	-
Medicaid Cluster - Medical Assistance Program (via NYS OMH)	93.778	N/A	<u>74,375</u>	<u>-</u>
Total Medicaid Cluster - Medicaid Assistance Program			<u>1,578,144</u>	<u>-</u>
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (via NYS OFA)	93.044	N/A	112,870	-
Special Programs for the Aging - Title III, Part C - Nutrition Services (via NYS OFA)	93.045	N/A	200,409	-
COVID-19 - Special Programs for the Aging - Title III, Part C - Nutrition Services - CARES ACT (via NYS OFA)	93.045	N/A	75,451	-
Nutrition Services Incentive Program (via NYS OFA)	93.053	N/A	<u>36,694</u>	<u>-</u>
Total Aging Cluster			<u>425,424</u>	<u>-</u>
Social Services Block Grant (via NYS OTDA)	93.667	N/A	1,218,956	-
Foster Care - Title IV-E (via NYS OCFS)	93.658	N/A	1,220,011	-
Adoption Assistance (via NYS OCFS)	93.659	N/A	1,328,434	-
Child Support Enforcement (via NYS OTDA)	93.563	N/A	731,238	-
Low-Income Home Energy Assistance (via NYS OTDA)	93.568	N/A	4,561,861	-
Chafee Foster Care Independence Program (via NYS OCFS)	93.674	N/A	1,592	-
Adoption Incentive Payments (via NYS OCFS)	93.603	N/A	131,096	-
Developmental Disabilities Basic Support and Advocacy Grants (via NYS OFA)	93.630	N/A	3,084	-
Immunization Grants (via NYS DOH)	93.268	N/A	31,375	-
Maternal and Child Health Services Block Grant to the States (via NYS DOH)	93.994	N/A	5,707	-
Public Health Emergency Preparedness (via Health Research Incorporated)	93.069	1589-15	112,151	-
Epidemiology and Laboratory Capacity for Infectious Diseases (via Health Research Incorporated)	93.323	6815-01/ 6418-01	354,321	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (via NYS OFA)	93.043	N/A	6,773	-
COVID-19 - National Family Caregiver Support - Title III, Part E (via NYS OFA)	93.052	N/A	6,134	-
National Family Caregiver Support - Title III, Part E (via NYS OFA)	93.052	N/A	<u>67,874</u>	<u>-</u>
Total National Family Caregiver Support - Title III, Part E			<u>74,008</u>	<u>-</u>
Special Programs for the Aging Title IV, Title II- Discretionary Projects (via NYS OFA)	93.048	N/A	25,173	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (via NYS OFA)	93.779	N/A	34,706	-
Medicare Enrollment Assistance Program (via NYS OFA)	93.071	N/A	12,754	-
Child Abuse and Neglect State Grants (via NYS OTDA)	93.669	N/A	52,346	-
COVID-19 - Provider Relief Fund and American Rescue Plan Rural Distribution	93.498	N/A	<u>1,578,364</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>21,748,489</u>	<u>246,252</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CHEMUNG - STATE OF NEW YORK
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor (Pass-Through Entity) / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation				
COVID-19 - Federal Transit Cluster - Federal Transit - Formula Grants (via NYS DOT)	20.507	N/A	1,849,058	1,849,058
Highway Planning and Construction Cluster - Highway Planning and Construction (via NYS DOT)	20.205	N/A	3,347,162	-
Transit Services Programs Cluster - Enhanced Mobility of Seniors and Individuals with Disabilities (via NYS DOT)	20.513	N/A	19,043	19,043
COVID-19 - Airport Improvement Program (via NYS DOT)	20.106	N/A	777,846	-
Airport Improvement Program (via NYS DOT)	20.106	N/A	<u>2,302,789</u>	-
Total Airport Improvement Program			<u>3,080,635</u>	-
Metropolitan Transportation Planning (via NYS DOT)	20.505	N/A	<u>211,591</u>	-
Total U.S. Department of Transportation			<u>8,507,489</u>	<u>1,868,101</u>
U.S. Department of Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027	N/A	<u>264,125</u>	-
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	<u>3,517</u>	-
U.S. Department of Interior				
Battlefield Land Acquisition Grants	15.928	N/A	<u>103,577</u>	-
U.S. Department of Education				
Special Education - Grants for Infants and Families (via NYS DOH)	84.181	N/A	<u>65,869</u>	-
U.S. Department of Homeland Security				
Disaster Grants - Public Assistance (via NYS DHSES)	97.036	N/A	662,954	-
Emergency Management Performance Grant (via NYS OEM)	97.042	T836595	34,775	-
Homeland Security Grant Program (via NYS DHSES)	97.067	C969680, C969690, C152610, T969862, T180160	65,481	-
COVID-19 - Homeland Security Grant Program (via NYS DHSES)	97.067	C969680, C969690, C969600	<u>133,128</u>	-
Total Homeland Security Grant Program			<u>198,609</u>	-
Total U.S. Department of Homeland Security			<u>896,338</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant - Small Cities Program (via NYS OCR)	14.228	225WS337-19	<u>59,777</u>	-
Total Expenditures of Federal Awards			<u>\$ 35,372,588</u>	<u>\$ 2,114,353</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CHEMUNG - STATE OF NEW YORK
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the activity of all federal financial assistance programs of the County of Chemung - State of New York (the "County"). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The County's reporting entity is defined in the notes to the County's financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the Schedule.

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

During the year ended December 31, 2021, the County received funds from the following pass-through entities which are identifiable in the accompanying schedule as:

- New York State Office of Children and Family Services (NYS OCFS)
- New York State Office of Temporary and Disability Assistance (NYS OTDA)
- New York State Department of Health (NYS DOH)
- New York State Department of Transportation (NYS DOT)
- New York State Office of Emergency Management (NYS OEM)
- New York State Division of Homeland Security and Emergency Services (NYS DHSES)
- New York State Office of Mental Health (NYS OMH)
- New York State Office for the Aging (NYS OFA)
- New York State Office of Community Renewal (NYS OCR)
- Health Research Incorporated

Unless noted above, all other funding reported on the schedule of expenditures of federal awards was received directly from the noted federal agency.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in the notes to the County's financial statements. 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. In certain cases, the County uses an approved indirect cost allocation rate prepared by a third party, otherwise the County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Fair Value of Noncash Awards

Included in the amount reported for Assistance Listing No. 10.557, Special Supplemental Nutrition Program for Women, Infants and Children, is \$1,243,388 for the fair market value of the redeemed food instrument issuances. A food instrument is a check produced through the New York State WIC Statewide Information System that is issued to WIC participants and may be redeemed to obtain WIC approved foods/formula from authorized vendors. Included in the amount reported for Assistance Listing No. 93.568, Low-Income Home Energy Assistance, are payments to utility vendors for \$4,171,107. 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.

COUNTY OF CHEMUNG - STATE OF NEW YORK
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Note 4. Reissuance of the Schedule of Expenditures of Federal Awards (September 21, 2023)

Subsequent to the issuance of the December 31, 2021 single audit report, it was determined that the amount previously reported for Assistance Listing Number 93.498, Provider Relief Funding, \$2,344,213 was incorrect. The accompanying schedule of expenditures of federal awards has been revised to report the correct amount of \$1,578,364. The schedule of findings and questioned costs was revised to update the dollar threshold used to determine type A and type B programs. The change in the dollar threshold did not result in any new programs to be audited as major programs. There were no other changes to the single audit report as originally reported.

COUNTY OF CHEMUNG - STATE OF NEW YORK
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

SUMMARY OF AUDITORS' RESULTS:

Financial Statements

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

Internal control over financial reporting:

- 1. Material weaknesses identified? Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported
- 3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- 4. Material weaknesses identified? Yes No
- 5. Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

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

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Type of Auditors' Report Issued</u>
Conservation Stewardship Program	10.924	Unmodified
Medicaid Cluster - Medical Assistance Program	93.778	Unmodified
Airport Improvement Program	20.106	Unmodified
COVID-19 - Provider Relief Fund and American Rescue Plan Rural Distribution	93.498	Unmodified
SNAP Cluster - State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Unmodified
Adoption Assistance	93.659	Unmodified
COVID-19 Federal Transit Cluster - Federal Transit - Formula Grants	20.507	Modified
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	Unmodified

- 6. Audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes No

7. Major programs audited were:

<u>Program Title</u>	<u>Assistance Listing Number</u>
Conservation Stewardship Program	10.924
Medicaid Cluster - Medical Assistance Program	93.778
Airport Improvement Program	20.106
COVID-19 - Provider Relief Fund and American Rescue Plan Rural Distribution	93.498
SNAP Cluster - State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561
Adoption Assistance	93.659
COVID-19 Federal Transit Cluster - Federal Transit - Formula Grants	20.507
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323

8. Dollar threshold to determine type A and type B programs: \$1,061,178

- 9. Auditee qualified as low-risk auditee? Yes No

COUNTY OF CHEMUNG - STATE OF NEW YORK
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

2021-001 - Federal Transit Cluster - Federal Transit - Formula Grants - Assistance Listing No. 20.507; Grant No. NY-2020-027 and Grant No. NY-2020-034; Grant Period - For the year ended December 31, 2021

Condition: The subrecipient monitoring activities performed were not adequately documented and were not consistent with the risk assessment performed by the County.

Criteria: The County should have procedures in place to monitor subrecipients to ensure federal funding is spent in accordance with federal guidelines.

Cause: The County performed a risk assessment of the subrecipient monitoring agreement with the Federal Transit Formula Grant. Based on the risk assessment it was determined that a desk review should be performed on an annual basis by the County over the subrecipient. This desk monitoring should be fully documented and consist of the following:

1. A review of program and financial reports for accuracy.
2. A comparison of financial reports against projected spending rates.
3. A comparison of the cumulative counts of clients and units delivered against those projected.
4. Unit cost comparisons when applicable.
5. Comparison of projected service levels with units of service provided.
6. Comparison of project budget with actual expenditures.
7. A review of financial and performance reports required by the pass-through entity.
8. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means, if applicable.
9. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the pass-through, if applicable.

Monthly meetings did occur between the County and the subrecipient to perform grant oversight. A complete desk review as described above was not fully performed or documented. The subrecipient provided quarterly expenditure reporting to the County whereby a review by the County was conducted; however clear documentation of this review was not available.

Effect: Subrecipient monitoring of the Federal Transit Formula Grant was not completed as described by the County's risk assessment.

Recommendation: We recommend the County's current risk assessment of the subrecipient be reviewed and revised as appropriate. We recommend this risk assessment be strictly followed going forward and that all parties involved in the federal program be trained on the requirements. This review should be systematic and fully documented in order to substantiate the steps taken.

COUNTY OF CHEMUNG - STATE OF NEW YORK
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Views of Responsible Officials and Planned Corrective Actions:

Management Response: County management understands and concurs with the finding related to Federal Transit Cluster and notes that the underlying cause was ongoing turnover of key personnel involved with the transit operation contract with First Transit and also subrecipient monitoring. We note that while there was some monitoring performed via the monthly meetings, there was not complete desk review in accordance with the subrecipient risk assessment.

Planned Corrective Action: The Transit Contract Manager will immediately review and revise the Subrecipient Risk Assessment for First Transit federal funds, and subsequently implement the required review process and ensure that it is strictly followed going forward including documentation of desk reviews. We expect these measures to be implemented in 2022 such that adequate Subrecipient Monitoring is completed in 2022. To ensure compliance, the Director of the Elmira-Chemung Transportation Council will require submission of the Subrecipient Monitoring Report and will review each report with the Transit Contract Manager to determine any relevant action items. The Director of the Elmira-Chemung Transportation Council will arrange for the development of periodic training of all parties involved in the Subrecipient Risk Assessment and Monitoring Plan requirements to ensure continued compliance and continuity in the event of future staff turnover. We also expect the training plan to be developed in 2022 and fully implemented within 12 months.

COUNTY OF CHEMUNG - STATE OF NEW YORK
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2021

FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE