

COUNTY OF CHEMUNG - STATE OF NEW YORK

SINGLE AUDIT REPORT

DECEMBER 31, 2020

COUNTY OF CHEMUNG - STATE OF NEW YORK

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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

We have audited the County of Chemung - State of New York's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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.

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, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report dated July 23, 2021, 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 14 percent, 2 percent and 72 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 13 percent, 15 percent and 26 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 87 percent, 85 percent and 74 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 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 the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 23, 2021

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 25, 2020. 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*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 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 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 23, 2021

COUNTY OF CHEMUNG - STATE OF NEW YORK
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor (Pass-Through Entity) / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (via NYS OTDA)	10.561	N/A	\$ 1,642,816	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (via NYS DOH)	10.557	N/A	<u>1,701,196</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,344,012</u>	<u>-</u>
U.S. Department of Health and Human Services				
Child Care and Development Block Grant (via NYS OCFS)	93.575	N/A	3,229,489	211,500
Temporary Assistance for Needy Families (TANF) (via NYS OTDA)	93.558	N/A	6,293,031	-
Medical Assistance Program (via NYS DOH)	93.778	N/A	2,044,237	-
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	188,719	-
Special Programs for the Aging - Title III, Part C - Nutrition Services (via NYS OFA)	93.045	N/A	309,219	-
Nutrition Services Incentive Program (via NYS OFA)	93.053	N/A	<u>36,523</u>	<u>-</u>
Total Aging Cluster			<u>534,461</u>	<u>-</u>
Social Services Block Grant (via NYS OTDA)	93.667	N/A	938,784	-
Foster Care - Title IV-E (via NYS OCFS)	93.658	N/A	1,936,442	-
Adoption Assistance (via NYS OCFS)	93.659	N/A	1,258,950	-
Child Support Enforcement (via NYS OTDA)	93.563	N/A	717,644	-
Low-Income Home Energy Assistance (via NYS OTDA)	93.568	N/A	3,162,137	-
Chafee Foster Care Independence Program (via NYS OCFS)	93.674	N/A	2,511	-
Adoption Incentive Payments (via NYS OCFS)	93.603	N/A	174,903	-
Immunization Cooperative Agreements (via NYS DOH)	93.268	N/A	552	-
Maternal and Child Health Services Block Grant to the States (via NYS DOH)	93.994	N/A	18,166	-
Public Health Emergency Preparedness (via Health Research Incorporated)	93.069	1589-13, 1589-14	60,227	-
Public Health Emergency Response, Cooperative Agreement for Emergency Response, Public Health Crisis Response (via Health Research Incorporated)	93.354	6301-01, 6418-01	393,440	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (via NYS OFA)	93.043	N/A	6,644	-
National Family Caregiver Support - Title III, Part E (via NYS OFA)	93.052	N/A	51,331	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations (via NYS OFA)	93.779	N/A	33,040	-
Medicare Enrollment Assistance Program (via NYS OFA)	93.071	N/A	13,581	-
Child Abuse and Neglect State Grants (via NYS OTDA)	93.669	N/A	<u>36,047</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>20,905,617</u>	<u>211,500</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, 2020

Federal Grantor (Pass-Through Entity) / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation				
Federal Transit Cluster:				
COVID-19 - Federal Transit - Formula Grants	20.507	N/A	2,624,514	2,624,514
Federal Transit - Formula Grants	20.507	N/A	942,120	942,120
Bus and Bus Facilities Formula Program (via NYS DOT)	20.526	N/A	11,188	-
Total Federal Transit Cluster			<u>3,577,822</u>	<u>3,566,634</u>
Highway Planning and Construction	20.205	N/A	718,246	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	181,520	181,520
COVID-19 - Airport Improvement Program	20.106	N/A	1,409,381	-
Airport Improvement Program	20.106	N/A	3,077,851	-
Metropolitan Transportation Planning (via NYS DOT)	20.505	N/A	394,982	-
Payments for Small Community Air Service Development Program	20.930	N/A	38,270	-
Total U.S. Department of Transportation			<u>9,398,072</u>	<u>3,748,154</u>
U.S. Department of Treasury				
Equitable Sharing Program	21.016	N/A	14,746	-
U.S. Department of Justice				
State Criminal Alien Assistance Program (via NYS DCJS)	16.606	N/A	636	-
U.S. Department of Education				
Special Education - Grants for Infants and Families (via NYSED)	84.181	N/A	59,073	-
U.S. Department of Homeland Security				
COVID-19 - Disaster Grants - Public Assistance (via NYS DHSES)	97.036	N/A	23,420	-
Disaster Grants - Public Assistance (via NYS DHSES)	97.036	N/A	1,395,472	-
COVID-19 - Emergency Management Performance Grant (via NYS OEM)	97.042	T836595	19,419	-
Emergency Management Performance Grant (via NYS OEM)	97.042	T836595	7,989	-
Pre-Disaster Mitigation Program (via NYS DHSES)	97.047	C0000802PDMC	707	-
		C969680, C969690, T969680, T969672,		
Homeland Security Grant Program (via NYS DHSES)	97.067	T969862	159,773	-
Total U.S. Department of Homeland Security			<u>1,606,780</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 35,328,936</u>	<u>\$ 3,959,654</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, 2020

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, 2020, 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 Alcoholism and Substance Abuse Services (NYS OASAS)
- New York State Office for the Aging (NYS OFA)
- New York State Department of Education (NYSED)
- New York State Division of Criminal Justice Services (NYS DCJS)
- Health Research Incorporated

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 CFDA No. 10.557, Special Supplemental Nutrition Program for Women, Infants and Children, is \$1,146,297 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 CFDA No. 93.568, Low-Income Home Energy Assistance, are payments to utility vendors for \$2,863,524. 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
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

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: 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>Federal CFDA Number</u>
Child Care and Development Block Grant	93.575
Medical Assistance Program	93.778
Disaster Grants - Public Assistance	97.036
Special Supplemental Nutrition Program for Women, Infants and Children	10.557
Foster Care Title IV-E	93.658
Low-Income Home Energy Assistance	93.568
Highway Planning and Construction	20.205

8. Dollar threshold to determine type A and type B programs: \$1,059,868

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, 2020

FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

COUNTY OF CHEMUNG - STATE OF NEW YORK
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2020

FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE