

COUNTY OF CHAUTAUQUA, NEW YORK

**Single Audit Reports For the Year Ended
December 31, 2021**

Bonadio & Co., LLP
Certified Public Accountants

COUNTY OF CHAUTAUQUA, NEW YORK

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

July 22, 2022

To the Honorable County Executive and Members of the County Legislature
County of Chautauqua, New York

We have audited, in accordance with the 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Chautauqua, 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 22, 2022. Our report includes a reference to other auditors who audited the financial statements of Chautauqua County Industrial Development Agency (CCIDA), Chautauqua Tobacco Asset Securitization Corporation (CTASC) and the Chautauqua County Land Bank Corporation (CCLBC), as described in our report on the County's financial statements. This report does not include the results of the auditor's testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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 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.

Report on 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 on internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

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

September 6, 2022

To the Honorable County Executive and Members of the County Legislature
County of Chautauqua, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Chautauqua, 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, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Chautauqua County Industrial Development Agency whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2021. Our audit, described below, did not include the federal awards of the above entity as this entity conducted a separate audit in accordance with OMB Uniform Guidance, if required.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have direct and material effect on its major federal programs for the year ended December 31, 2021.

Basis For Opinion on Each Major Federal Program

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County 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's compliance with the compliance requirements referred to above.

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'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'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'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's compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County'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'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.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County'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.

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 Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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 thereon dated July 22, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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.

COUNTY OF CHAUTAUQUA, NEW YORK

**Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2021**

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Agriculture:				
<i>Forest Service Schools and Roads Cluster</i>				
Schools and Roads - Grants to Counties	10.666	N/A	\$ 26	\$ -
<i>Total Forest Service Schools and Roads Cluster</i>			<u>26</u>	
Passed Through NYS Department of Health Child and Adult Care Food Program	10.558	CACFP	<u>28,535</u>	-
Passed through NYS Department of Aging <i>SNAP Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SHINE	65,056	-
Passed through NYS Office of Temporary & Disability Assistance <i>SNAP Cluster</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	<u>1,731,220</u>	-
<i>Total SNAP Cluster</i>			<u>1,796,276</u>	
Total U.S. Department of Agriculture			<u>1,824,837</u>	
U.S. Department of Housing and Urban Development:				
Passed through NYS Office of Community Renewal Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	222ED964-20	123,153	123,153
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	222WS320-19	<u>117,007</u>	115,182
<i>Total Community Development Block Grant</i>	14.228		<u>240,160</u>	
Lead Hazard Reduction Demonstration Grant Program	14.905	N/A	<u>152,755</u>	147,882
Total U.S. Department of Housing and Urban Development			<u>392,915</u>	
U.S. Department of Justice:				
Passed through NYS Office of Victim Services Crime Victim Assistance	16.575	C-10927GG	203,216	-
Crime Victim Assistance	16.575	C-10858GG	<u>69,657</u>	-
<i>Total passed through NYS Division of Victim Services</i>			272,873	
Passed through NYS Division of Criminal Justice Services National Criminal History Improvement Program (NCHIP)	16.554	C-662331	<u>94,499</u>	-
Total U.S. Department of Justice			<u>367,372</u>	

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**Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2021**

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Labor:				
Passed through Senior Services America Inc. Senior Community Service Employment Program	17.235	SSAI	<u>6,191</u>	-
Total U.S. Department of Labor			<u>6,191</u>	
U.S. Department of Transportation:				
Airport Improvement Program	20.106	3-36-0022-55-2017	79,609	-
Airport Improvement Program	20.106	3-36-0022-57-2020	28,266	-
Airport Improvement Program	20.106	3-36-0022-59-2021	19,754	-
Airport Improvement Program	20.106	3-36-0022-61-2021	8,588	-
Airport Improvement Program	20.106	3-36-0048-46-2017	210	-
Airport Improvement Program	20.106	3-36-0048-47-2017	224	-
Airport Improvement Program	20.106	3-36-0048-48-2018	75,178	-
Airport Improvement Program	20.106	3-36-0048-50-2019	68,626	-
Airport Improvement Program	20.106	3-36-0048-52-2019	96,947	-
Airport Improvement Program	20.106	3-36-0048-56-2021	2,278	-
Airport Improvement Program	20.106	3-36-0048-53-2020	170,244	-
COVID-19 Airport Improvement Program	20.106	3-36-0048-055-2021	13,000	-
COVID-19 Airport Improvement Program	20.106	3-36-0022-060-2021	13,000	-
COVID-19 Airport Improvement Program	20.106	3-36-0048-057-2022	32,000	-
COVID-19 Airport Improvement Program	20.106	3-36-0022-062-2022	<u>32,000</u>	-
<i>Total Airport Improvement Program</i>			<u>639,924</u>	
Passed through the NYS Department of Transportation				
Formula Grants for Rural Areas	20.509	C-004107	18,161	-
Formula Grants for Rural Areas	20.509	C-004107	52,361	-
Formula Grants for Rural Areas	20.509	C-004107	<u>44,720</u>	-
<i>Total Formula Grants for Rural Areas</i>			<u>115,242</u>	
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction Projects	20.205	D-040090	2,287	-
Highway Planning and Construction Projects	20.205	D-040327	160,310	-
Highway Planning and Construction Projects	20.205	D-035610	25,959	-
Highway Planning and Construction Projects	20.205	D-036425	136,013	-
Highway Planning and Construction Projects	20.205	D-035636	98,888	-
Highway Planning and Construction Projects	20.205	D-035000	<u>617</u>	-
<i>Total Highway Planning and Construction Cluster</i>			<u>424,074</u>	
<i>Total passed through NYS Department of Transportation</i>			<u>539,316</u>	
Total U.S. Department of Transportation			<u>1,179,240</u>	

COUNTY OF CHAUTAUQUA, NEW YORK

**Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2021**

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Treasury				
COVID-19 Coronavirus Relief Fund	21.019	T-004189	<u>1,147,027</u>	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>58,485</u>	-
Total U.S. Department of Treasury			<u>1,205,512</u>	
U.S. Department of Education				
Passed through NYS Department of Health Special Education-Grants for Infants and Families	84.181	C-31622GG	<u>35,623</u>	-
Total U.S. Department of Education			<u>35,623</u>	
U.S. Environmental Protection Agency:				
Passed through Community Environmental Health & Food Protection Beach Monitoring and Notification Program Implementation Grants	66.472	C-29637GG	<u>9,305</u>	-
Total U.S. Environmental Protection Agency			<u>9,305</u>	
U.S. Department of Health and Human Services:				
Passed through NYS Department of Health <i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	C-34813GG	94,476	-
Medical Assistance Program	93.778	N/A	<u>1,845,209</u>	-
<i>Subtotal Medicaid Cluster</i>			1,939,685	
Immunization Cooperative Agreements	93.268	T-36087GG	18,291	-
Maternal and Child Health Services Block Grant to the States	93.994	C-36459GG	2,189	-
Maternal and Child Health Services Block Grant to the States	93.994	C-35708GG	26,379	-
Maternal and Child Health Services Block Grant to the States	93.994	C-35192GG	<u>9,017</u>	-
<i>Total passed through NYS Department of Health</i>			<u>1,995,561</u>	
Low-Income Home Energy Assistance	93.568	N/A	<u>7,089,947</u>	-

COUNTY OF CHAUTAUQUA, NEW YORK

**Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2021**

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Passed through NYS Office of Temporary and Disability Assistance				
Temporary Assistance for Needy Families	93.558	N/A	10,187,506	-
Child Support Enforcement	93.563	N/A	1,120,996	-
Low-Income Home Energy Assistance	93.568	N/A	<u>967,607</u>	-
<i>Total passed through NYS Office of Temporary and Disability Assistance</i>			<u>12,276,109</u>	
Passed through NYS Office of Children and Family Services				
Guardianship Assistance	93.090	N/A	30,541	-
Promoting Safe and Stable Families	93.556	N/A	24,895	-
<i>Child Care and Development Fund Cluster</i>				
Child Care and Development Block Grant	93.575	N/A	<u>3,072,195</u>	-
<i>Total Child Care and Development Fund Cluster</i>			3,072,195	
Stephanie Tubbs Jones Child Welfare Services Program				
Foster Care, Title IV-E	93.645	N/A	71,772	-
Adoption Assistance	93.658	N/A	2,116,935	-
Social Services Block Grant	93.659	N/A	941,339	-
Social Services Block Grant	93.667	N/A	755,278	-
Child Abuse and Neglect State Grants	93.669	N/A	13,589	-
Elder Abuse Prevention Interventions Program	93.747	N/A	42,861	-
Chafee Foster Care Program for Successful Transition to Adulthood	93.674	N/A	<u>67,068</u>	-
<i>Total passed through NYS Office of Children and Family Services</i>			<u>7,136,473</u>	
Passed through NYS Office of the Aging				
<i>Aging Cluster</i>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	III-B	220,347	-
Special Programs for the Aging - Title III, Part C- Nutrition Services	93.045	III-C	380,271	-
COVID-19 Special Programs for the Aging - Title III, Part C- Nutrition Services	93.045	COVID-19 (2021)	30,838	-
COVID-19 Special Programs for the Aging - Title III, Part C- Nutrition Services	93.045	COVID-19 (2020)	(50,394)	-
Nutrition Services Incentive Program	93.053	NSIP	<u>91,051</u>	-
<i>Total Aging Cluster</i>			<u>672,113</u>	
Special Programs for the Aging, Title III, Part D - Disease Prevention and Health Promotion Services	93.043	III-D	10,260	-
National Family Caregiver Support - Title III, Part E	93.052	III-E	77,741	-
Medical Assistance Enrollment Assistance Program	93.071	MIPPA / ADRC	31,482	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	HIICAP	<u>30,735</u>	-
<i>Total passed through NYS Office of the Aging</i>			<u>822,331</u>	

COUNTY OF CHAUTAUQUA, NEW YORK

Schedule of Expenditures of Federal Awards
For the Years Ended December 31, 2021

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Passed through NYS Office of Mental Hygiene				
<i>Medicaid Cluster</i>				
Medical Assistance Program	93.778	N/A	103,526	-
<i>Subtotal Medicaid Cluster</i>			<u>103,526</u>	
Passed through Health Research Inc.				
Hospital Preparedness Program (HPPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	HRI 1587-14	46,215	-
Public Health Emergency Preparedness	93.069	HRI 1587-15	55,855	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	HRI 6148-02	53,459	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	HRI 6148-03	19,766	-
Immunization Cooperative Agreements	93.268	C-36920GG	77,644	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI 6425-01	174,127	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HRI 6816-01	578,000	-
Public Health Emergency Response	93.354	HRI 6317-01	81,141	-
<i>Total passed through Health Research Inc.</i>			<u>1,086,207</u>	
Passed through SAMHSA				
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	H79SM083048	939,656	-
Opioid STR	93.788	H79TI081718	94,702	-
Comprehensive Community Mental Health Service for Children with Serious Emotional Disturbances (SED)	93.104	H79SM082275	941,624	-
<i>Total passed through SAMHSA</i>			<u>1,975,982</u>	
Passed through HRSA				
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912	GA1RH33495	330,701	-
Total U.S. Department of Health and Human Services			<u>32,816,837</u>	

COUNTY OF CHAUTAUQUA, NEW YORK

Schedule of Expenditures of Federal Awards
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<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Homeland Security:				
Passed Through NYS Division of Homeland Security and Emergency Services				
Emergency Management Performance Grants	97.042	C-835615	49,696	-
Emergency Management Performance Grants	97.042	C-835605	28,294	-
Emergency Management Performance Grants	97.042	T-969504	28,497	-
<i>Total passed through NYS Division of Homeland Security and Emergency Services</i>			<u>106,487</u>	
Passed through NYS Office of Homeland Security				
Homeland Security Grant Program	97.067	T-969572	3,312	-
Homeland Security Grant Program	97.067	C-174790	48,348	-
Homeland Security Grant Program	97.067	T-969582	29,340	-
Homeland Security Grant Program	97.067	C-198791	33,434	-
Homeland Security Grant Program	97.067	T-969592	20,902	-
Homeland Security Grant Program	97.067	C-197901	275,657	-
Homeland Security Grant Program	97.067	C-182489	33,383	-
Homeland Security Grant Program	97.067	T-174794	50,000	-
Homeland Security Grant Program	97.067	C-969580	24,001	-
Homeland Security Grant Program	97.067	C-969590	89,391	-
Homeland Security Grant Program	97.067	C-182480	57,131	-
Homeland Security Grant Program	97.067	C-969599	49,171	-
Homeland Security Grant Program	97.067	C-182470	32,749	-
Homeland Security Grant Program	97.067	T-180157	3,391	-
Homeland Security Grant Program	97.067	C-197827	345,463	-
<i>Total passed through NYS Office of Homeland Security</i>			<u>1,095,673</u>	
Passed Through NYS Dept of Transportation				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA# 013-99013-02	39,941	-
Total U.S. Department of Homeland Security			<u>1,242,101</u>	
Total Expenditures of Federal Awards			<u>\$ 39,079,933</u>	

COUNTY OF CHAUTAUQUA, NEW YORK

Schedule of Expenditures of Federal Awards
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<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>Total Program Expenditures by Assistance Listing Number</u>				
Immunization Cooperative Agreements	93.268		\$ 95,935	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 1,796,276	
Medical Assistance Program / <i>Medicaid Cluster</i>	93.778		\$ 2,043,211	
Maternal and Child Health Services Block Grant to the States	93.994		\$ 37,585	
Low-Income Home Energy Assistance	93.568		\$ 8,057,554	
Special Programs for the Aging - Title III, Part C- Nutrition Services	93.045		\$ 360,715	
Injury Prevention and Control Research and State and Community Based Programs	93.136		\$ 73,225	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		\$ 752,127	

COUNTY OF CHAUTAUQUA, NEW YORK

Notes to the Schedule of Expenditures of Federal Awards December 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Chautauqua, New York (the County) under programs of the federal government for the year ended December 31, 2021. 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). 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, the respective changes in financial position, or, where applicable, cash flows of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County.

Negative amounts on the SEFA represent credits or adjustments from prior years.

2. BASIS OF ACCOUNTING

The schedule of expenditures of federal awards is presented in conformity with accounting principles generally accepted in the United States of America and the amounts presented are derived from the County's general ledger. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the schedule of expenditures of federal awards up to such amounts.

3. PASS THROUGH PROGRAMS

Where the County receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing number advised by the pass-through grantor.

Identifying numbers, other than the Assistance Listing numbers, which may be assigned by pass-through grantors are not maintained in the County's financial management system. The County has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

4. NONMONETARY FEDERAL PROGRAMS

The County is the recipient of federal financial programs that do not result in cash receipts or disbursements to the County, termed "nonmonetary programs".

New York State pays benefits directly to vendors, primarily utility companies, on behalf of eligible persons participating in the Low-Income Home Energy Assistance Program (Assistance Listing Number 93.568). Included in the amount presented on the schedule of expenditures of federal awards is \$7,089,947 in direct payments to vendors.

COUNTY OF CHAUTAUQUA, NEW YORK

Notes to the Schedule of Expenditures of Federal Awards December 31, 2021

5. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

The County has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

6. MATCHING COSTS

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

COUNTY OF CHAUTAUQUA, NEW YORK

**Schedule of Findings and Questioned Costs
December 31, 2021**

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes No

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR Section 200.516(a)? Yes No

Identification of major program:

<u>AL Number</u>	<u>Name of Federal Program</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SAMHSA)
93.575	Child Care and Development Block Grant
93.658	Foster Care - Title IV-E

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,168,703

Auditee qualified as low-risk auditee? Yes No

COUNTY OF CHAUTAUQUA, NEW YORK

**Schedule of Findings and Questioned Costs
December 31, 2021**

B. Findings - Financial Statement Audit

None.

C. Findings And Questioned Costs - Major Federal Award Programs Audit

Reference: 2021-001

U.S. Department of Health & Human Services

Passed-through Substance Abuse and Mental Health Services Administration

**Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances
(93.104)**

Pass-through Identification Number: H79SM082275

Program Year: 2021 & 2022

Criteria:

Internal controls should be designed, documented, and implemented to support a low level of control risk over compliance requirements A/B. Activities Allowed or Unallowed & Allowable Costs/Cost Principles.

Cause/Condition:

The internal control that requires signature approval for expenditures was not operating effectively and there were missing signatures from purchase orders and/or other supporting documentation.

Effect:

Internal controls are not operating effectively resulting in a material weakness.

Context:

Of the twenty-four items haphazardly selected for testing, 3 items did not have properly documented signatures approving the expense.

Recommendation:

We recommend the County follow internal controls in place and develop the means for monitoring and testing that controls are operating effectively. Management should consider the need to design and implement mitigating controls as deemed necessary to ensure a low level of control risk.

Management's Response:

This has been identified as an internal control issue, which is corrected by the Fiscal Supervisor/Designee closely reviewing invoice payments, prior to submission for payment, to ensure processes are followed. The Fiscal Staff involved with invoice payments and contracts will be provided re-education, by the end of August 2022, on the importance of verification of Grant Dollars, and the verification process. If the Fiscal Supervisor designates another staff member, periodic reviews will still be performed by the Fiscal Supervisor, as an extra form of oversight.

COUNTY OF CHAUTAUQUA, NEW YORK

Schedule of Findings and Questioned Costs December 31, 2021

Reference: 2021-002

U.S. Department of Health & Human Services

Passed-through Substance Abuse and Mental Health Services Administration

**Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances
(93.104)**

Pass-through Identification Number: H79SM082275

Program Year: 2021 & 2022

Criteria:

Per the OMB Compliance Supplement, management is required to design and implement adequate controls to support a low level of control risk over compliance requirement G. Matching.

Cause/Condition:

Due to COVID-19, certain sessions and meetings were held virtually rather than in person as part of Management's goal to continue to meet programmatic objectives. In many cases, certain expenditures incurred related to these sessions and meetings are used to meet the local match requirements associated with this federal award. Procedures to ensure adequate controls were in place to track these expenditures were not adequate to support a low level of control risk over compliance requirement G. Matching.

Effect:

Management was unable to provide formal evidence to support individuals' attendance and participation in virtual meetings outside of the summary sheets used to track expenditures recorded as part of the matching requirement. Furthermore, there was no formal documented evidence of Zoom that was used for hosting the virtual meetings.

Context:

The deficiency specifically relates to those expenditures having to do with virtual meetings only.

Recommendation:

We recommend that management consider designing and documenting alternative internal control procedures that will support the existence of all matching expenditures associated with virtual meetings. We suggest evidence controls exist be documented and retained which includes, but is not limited to, any secondary review by an individual other than the individual inputting and tracking the matching spreadsheet be documented and dated. Key internal controls should be periodically monitored and reviewed to ensure operational effectiveness.

Management's Response:

The recommendations will be acted on immediately. All practices and controls that are in place for expenditures have been reviewed and will be provided to all staff at a team meeting on September 6th, 2022, as a formal training update. As there are many new staff in place, this will be a helpful training for all.