

COUNTY OF SARATOGA, NEW YORK  
Single Audit Report  
December 31, 2009  
(With Independent Auditors' Report Thereon)

COUNTY OF SARATOGA, NEW YORK

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the Board of Supervisors  
County of Saratoga, New York:

Compliance

We have audited the compliance of the County of Saratoga, New York (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, County of Saratoga, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2009, and have issued our report thereon dated July 15, 2010. Our audit was performed for the purpose of forming our opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Supervisors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Toski, Schaefer & Co., P.C.*

Williamsville, New York  
July 15, 2010

COUNTY OF SARATOGA NEW YORK  
Schedule of Expenditures of Federal Awards  
Year ended December 31, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture - passed through New York State:			
Supplemental Nutrition Assistance Program Cluster:			
Supplemental Nutrition Assistance Program	10.551	N/A	\$ 18,357,536
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	998,269
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	<u>61,590</u>
Total U.S. Department of Agriculture			<u>19,417,395</u>
U.S. Department of Justice - passed through New York State:			
Violence Against Women Formula Grants	16.588	N/A	33,512
Crime Victim Assistance	16.575	N/A	56,386
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>49,716</u>
Total U.S. Department of Justice			<u>139,614</u>
U.S. Department of Labor - passed through New York State:			
Senior Community Service Employment Program	17.235	N/A	23,113
WIA Cluster:			
WIA Adult Program	17.258	N/A	344,293
ARRA - WIA Adult Program	17.258	N/A	87,550
WIA Youth Activities	17.259	N/A	121,137
ARRA - WIA Youth Activities	17.259	N/A	90,191
WIA Dislocated Workers	17.260	N/A	355,233
ARRA - WIA Dislocated Workers	17.260	N/A	<u>139,093</u>
Total WIA Cluster			<u>1,137,497</u>
Total U.S. Department of Labor			<u>1,160,610</u>
U.S. Department of Transportation:			
Passed through New York State:			
Highway Planning and Construction	20.205	1756.29.321	93,874
ARRA - Highway Planning and Construction	20.205	N/A	<u>312,472</u>
Total Highway Planning and Construction			<u>406,346</u>
Airport Improvement Program	20.106	N/A	<u>28,538</u>
Total U.S. Department of Transportation			<u>434,884</u>

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SARATOGA NEW YORK  
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education - passed through New York State:			
Special Education Grants for Infants and Families with Disabilities	84.181	CO-021817	\$ 95,397
ARRA - State Fiscal Stabilization Fund - Governmental Services	84.397	N/A	<u>1,766,603</u>
Total U.S. Department of Education			<u>1,862,000</u>
U.S. Department of Health and Human Services - passed through New York State:			
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	N/A	12,281
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	N/A	4,089
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	160,883
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	302,758
National Services Incentive Program	93.053	N/A	124,925
ARRA - Aging Home-Delivered Nutrition Services for States	93.705	N/A	<u>43,763</u>
Total Aging Cluster			<u>632,329</u>
National Family Caregiver Support, Title III, Part E	93.052	N/A	70,984
Immunization Grants	93.268	CO-15678	68,912
Center for Disease Control and Prevention Investigation and Technical Assistance	93.283	001599-03	37,608
Temporary Assistance for Needy Families Cluster:			
Temporary Assistance for Needy Families	93.558	N/A	3,553,149
ARRA - Temporary Assistance for Needy Families	93.714	N/A	<u>595,840</u>
Total Temporary Assistance for Needy Families Cluster			<u>4,148,989</u>
Child Support Enforcement Cluster:			
Child Support Enforcement	93.563	N/A	1,085,221
ARRA - Child Support Enforcement	93.563	N/A	<u>116,587</u>
Total Child Support Enforcement Cluster			<u>1,201,808</u>
Low-Income Home Energy Assistance	93.568	N/A	8,552,518
Child Care and Development Block Grant	93.575	N/A	2,251,690
Foster Care Cluster:			
Foster Care - Title IV-E	93.658	N/A	1,141,418
ARRA - Foster Care - Title IV-E	93.658	N/A	<u>32,245</u>
Total Foster Care Cluster			<u>1,173,663</u>

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SARATOGA NEW YORK  
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services - passed through New York State, Continued:			
Adoption Assistance Cluster:			
Adoption Assistance	93.659	N/A	\$ 107,904
ARRA - Adoption Assistance	93.659	N/A	<u>9,549</u>
Total Adoption Assistance Cluster			<u>117,453</u>
Social Services Block Grant	93.667	N/A	188,920
Chafee Foster Care Independence Program	93.674	N/A	28,439
ARRA - Immunization Program	93.712	N/A	31,145
Medical Assistance Program Cluster:			
Medical Assistance Program	93.778	N/A	96,003,406
ARRA - Medical Assistance Program	93.778	N/A	<u>2,338,773</u>
Total Medical Assistance Program Cluster			<u>98,342,179</u>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	84,393
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	516,702
Maternal and Child Health Services Block Grant to the States	93.994	CO-021575	<u>13,206</u>
Total U.S. Department of Health and Human Services			<u>117,477,308</u>
U.S. Department of Homeland Security - passed through New York State:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
	97.036	N/A	304,123
Emergency Management Performance Grants	97.042	SEMO3299-EM-NY	54,984
Homeland Security Grant Program	97.067	WM2008/ SLETPP	2,201
State Homeland Security Program (SHSP)	97.073	N/A	<u>57,072</u>
Total U.S. Department of Homeland Security			<u>418,380</u>
Total Expenditures of Federal Awards			<u>\$ 140,910,191</u>

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF SARATOGA, NEW YORK  
Notes to Schedule of Expenditures of Federal Awards  
December 31, 2009

(1) Basis of Presentation

(a) Reporting Entity

The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance programs administered by County of Saratoga, New York, an entity as defined in the basic financial statements.

(b) 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 Catalog of Federal Domestic Assistance (CFDA) number advised by the pass-through grantor.

Identifying numbers, other than CFDA numbers, which may be assigned by pass-through grantors are not maintained in the County's financial management system.

(c) Nonmonetary Federal Programs

The County is the recipient of a federal financial assistance program that does not result in cash receipts or disbursements, termed "nonmonetary programs." During the year ended December 31, 2009, the County distributed \$18,357,536 of food vouchers to eligible persons participating in the Supplemental Nutrition Assistance Program (CFDA Number 10.551), \$93,840,747 of medical services and goods were received by participants in the Medical Assistance Program (CFDA Number 93.778).

New York State makes payments of benefits directly to vendors, primarily utility companies, on behalf of eligible persons participating in the Low-Income Home Energy Assistance (CFDA Number 93.568). Included in the amount presented on the schedule of expenditures of federal awards is \$8,283,702 in direct payments.

(2) Basis of Accounting

The schedule of expenditures of federal awards is presented on the modified accrual basis of accounting 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) 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.

(4) Matching Costs

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

(5) Subrecipients

The County serves as the lead agency for various workforce investment programs in the region. Pass-through funds totaling \$1,206,902 were made to Warren and Washington Counties during the year ended December 31, 2009.

COUNTY OF SARATOGA, NEW YORK  
 Schedule of Findings and Questioned Costs  
 Year ended December 31, 2009

Part I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

- |   |                                |
|---|--------------------------------|
| Type of auditors' report issued:  | Unqualified                    |
| Internal control over financial reporting:  |                                |
| 1. Material weakness(es) identified?  | ___ Yes <u>X</u> No            |
| 2. Significant deficiency(ies) identified not considered to be material weakness(es)? | ___ Yes <u>X</u> None reported |
| 3. Noncompliance material to financial statements noted?                              | ___ Yes <u>X</u> No            |

Federal Awards:

- |   |                                |
|---|--------------------------------|
| Internal control over major programs:   |                                |
| 4. Material weakness(es) identified?  | ___ Yes <u>X</u> No            |
| 5. Significant deficiency(ies) identified not considered to be material weakness(es)? | ___ Yes <u>X</u> None reported |

Type of auditors' report issued on compliance for major programs:	Unqualified
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- |  |                     |
|--|---------------------|
| 6. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) | ___ Yes <u>X</u> No |
|--|---------------------|

7. The County's major programs audited were:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Supplemental Nutrition Assistance Program Cluster	10.551/10.561
Medical Assistance Program Cluster	93.778
Temporary Assistance for Needy Families	93.558/93.714
Child Care and Development Block Grant	93.575

- |   |              |
|---|--------------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs? | \$ 3,000,000 |
|---|--------------|

- |   |                     |
|---|---------------------|
| 9. Auditee qualified as low-risk auditee? | ___ Yes <u>X</u> No |
|---|---------------------|

COUNTY OF SARATOGA, NEW YORK  
Schedule of Findings and Questioned Costs, Continued

Part II. - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings

Part III. - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings

COUNTY OF SARATOGA, NEW YORK

Status of Prior Audit Findings

Year ended December 31, 2009

<u>Prior year reference number</u>	<u>CFDA Number</u>	<u>Summary of Finding</u>	<u>Status</u>
08-01	Various	County relied on its auditors in preparation of the SEFA	Corrected
08-02	93.658	Deduction of sick leave was not made from the employees' existing sick leave accrual	Corrected

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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

Members of the Board of Supervisors  
County of Saratoga, New York:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Saratoga, New York (the County) as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 15, 2010. Our report was modified to include a reference to other auditors. We conducted our audit 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.

Our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations contracts, grant agreements, and other matters did not include the entity audited by the other auditors referred to in the first paragraph. The findings, if any, of those other auditors are not included herein.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Saratoga, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Saratoga, New York's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Saratoga, New York's internal control over financial reporting.

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 County's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Saratoga, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective on 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 reporting under Government Auditing Standards.

We noted certain matters that we have reported to the management of the County of Saratoga in a separate letter dated July 15, 2010.

This report is intended solely for the information and use of the Board of Supervisors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Toski, Schaefer & Co. P.C.*

Williamsville, New York  
July 15, 2010