

COUNTY OF SARATOGA, NEW YORK

Single Audit Report

December 31, 2011

(With Independent Auditors' Reports Thereon)

COUNTY OF SARATOGA, NEW YORK

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Chairman and Board of Supervisors
County of Saratoga, New York:

Compliance

We have audited County of Saratoga, New York's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 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, 2011. 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 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, 2011.

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, 2011, and have issued our report thereon dated July 12, 2012. We did not audit the financial statements of the Saratoga County Water Authority or the Saratoga County Industrial Development Agency, which are component units of the County. Those statements were audited by other auditors whose reports have been provided to us, and our opinion, insofar as it relates to amounts included for the Saratoga County Water Authority and the Saratoga County Industrial Development Agency is based solely on the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 & Co., CPAs, P.C.

Williamsville, New York
July 12, 2012

COUNTY OF SARATOGA, NEW YORK
Schedule of Expenditures of Federal Awards
Year ended December 31, 2011

<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 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ <u>1,314,804</u>
U.S Department of Justice - passed through New York State:			
Crime Victim Assistance	16.575	N/A	53,236
Violence Against Women Formula Grants	16.588	N/A	<u>41,801</u>
Total U.S. Department of Justice			<u>95,037</u>
U.S. Department of Labor - passed through New York State:			
TAA Grant	17.245	N/A	26,301
Senior Community Service Employment Program	17.235	N/A	20,080
WIA Cluster:			
WIA Adult Program	17.258	N/A	270,267
ARRA - WIA Adult Program	17.258	N/A	7,487
WIA Youth Activities	17.259	N/A	257,920
ARRA - WIA Youth Activities	17.259	N/A	7,311
WIA Dislocated Workers	17.260	N/A	236,644
WIA Dislocated Supplement	17.278	N/A	41,431
ARRA - WIA Dislocated Workers	17.260	N/A	<u>85,533</u>
Total WIA Cluster			<u>906,593</u>
Total U.S. Department of Labor			<u>952,974</u>
U.S. Department of Transportation - passed through New York State:			
Airport Improvement Program	20.106	N/A	13,900
Highway Planning and Construction	20.205	1757.09.121	<u>366,099</u>
Total U.S. Department of Transportation			<u>379,999</u>
U.S. Department of Education - passed through New York State:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Governmental Services, Recovery Act	84.397	N/A	106,479
Early Intervention ARRA	84.181	N/A	236,630
Early Intervention	84.393	N/A	<u>45,100</u>
Total U.S. Department of Education			<u>388,209</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:			
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	N/A	\$ 14,281
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	N/A	4,644
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	236,551
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	563,755
National Services Incentive Program	93.053	N/A	<u>94,296</u>
Total Aging Cluster			<u>894,602</u>
National Family Caregiver Support, Title III, Part E	93.052	N/A	94,737
Bio-Terrorism Grant	93.069	N/A	169,405
Medicare Enrollment Assistance Program	93.071	N/A	6,000
Immunization Grants	93.268	CO-15678	76,828
Temporary Assistance for Needy Families	93.558	N/A	7,177,193
Child Support Enforcement	93.563	N/A	981,145
Low-Income Home Energy Assistance	93.568	N/A	6,609,428
Child Care and Development Block Grant	93.575	N/A	2,522,718
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	44,225
Foster Care Cluster:			
Foster Care - Title IV-E	93.658	N/A	1,177,211
ARRA - Foster Care - Title IV-E	93.658	N/A	<u>44,200</u>
Total Foster Care Cluster			<u>1,221,411</u>
Adoption Assistance Cluster:			
Adoption Assistance	93.659	N/A	74,999
ARRA - Adoption Assistance	93.659	N/A	<u>3,326</u>
Total Adoption Assistance Cluster			<u>78,325</u>
Social Services Block Grant	93.667	N/A	1,203,981
Chafee Foster Care Independence Program	93.674	N/A	30,982
ARRA - Immunization	93.712	N/A	23,565
Medical Assistance Program	93.778	N/A	107,971,826

(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:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	\$ <u>49,356</u>
Total U.S. Department of Health and Human Services			<u>129,174,652</u>
Corporation for National and Community Service - Retired and Senior Volunteer Program	94.002	N/A	<u>46,670</u>
U.S. Department of Homeland Security - passed through New York State:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	159,069
Emergency Management Performance Grants	97.042	SEMO3299-EM-NY	253,364
Homeland Security	97.067	N/A	53,666
State Homeland Security Program (SHSP)	97.073	N/A	<u>8,659</u>
Total U.S. Department of Homeland Security			<u>474,758</u>
Total Expenditures of Federal Awards			<u>\$ 132,827,103</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, 2011

(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, 2011, the County distributed \$104,314,776 of medical services and goods received by participants in the Medical Assistance Program (CFDA Number 93.778) which is included in the amount presented on the schedule of expenditures of federal awards.

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 \$6,182,963 in direct payments.

For the year ended December 31, 2011, the County distributed \$24,297,602 of food vouchers to eligible persons participating in the Supplemental Nutrition Assistance Program (CFDA Number 10.551). However, this nonmonetary program amount is no longer reflected in the schedule of expenditures of federal awards, as instructed by the U.S. Department of Agriculture.

(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.

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

(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 \$1,217,001 were made to Warren and Washington Counties during the year ended December 31, 2011.

COUNTY OF SARATOGA, NEW YORK
 Schedule of Findings and Questioned Costs
 Year ended December 31, 2011

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
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7. The County's major programs audited were:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Temporary Assistance for Needy Families	93.558
Low-Income Home Energy Assistance Program	93.568
Medical Assistance Program	93.778

8. Dollar threshold used to distinguish between Type A and Type B programs?	\$ 3,000,000
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9. Auditee qualified as low-risk auditee?	<u>X</u> Yes ___ No
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Part II. - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III. - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

COUNTY OF SARATOGA, NEW YORK
Status of Prior Audit Findings
Year ended December 31, 2011

There were no findings reported for the year ended December 31, 2010.

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

Chairman and 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, 2011, which collectively comprise the County's basic financial statements, and have issued our reports thereon dated July 12, 2012. 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. Other auditors audited the financial statements of the Saratoga County Water Authority and the Saratoga County Industrial Development Agency. This report does not include the results of other auditors' testing of internal control over financial reporting on compliance and other matters that are reported on separately by those auditors.

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 entities audited by the other auditors referred to in the first paragraph. The findings, if any, of other auditors are not included herein.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective 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 was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 reported under Government Auditing Standards.

We noted certain matters that we have reported to the management of the County in a separate letter dated July 12, 2012.

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 & Co., CPAs, P.C.

Williamsville, New York
July 12, 2012