

SARATOGA COUNTY, NEW YORK

SINGLE AUDIT REPORTS

Year Ended December 31, 2008

SARATOGA COUNTY, NEW YORK

SINGLE AUDIT REPORTS

Year Ended December 31, 2008

C O N T E N T S

	Page
Schedule of Expenditures of Federal Awards	1-3
Notes to Schedule of Expenditures of Federal Awards	4
Schedule of Prior Audit Findings	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	6-7
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and Independent Auditor's Report on Schedule of Expenditures of Federal Awards	8-9
Schedule of Findings and Questioned Costs	10-12

SARATOGA COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor/ Grantor Number	Federal Expenditures
U. S. Department of Agriculture/ New York State Office of Temporary and Disability Assistance/ Supplemental Nutrition Assistance Program	10.551	NA	\$ <u>11,681,825</u>
U.S. Department of Justice/ New York State Division of Criminal Justice Services/ Violence Against Women	16.588	NA	36,000
Crime Victim Assistance	16.575	NA	56,960
Bulletproof Vest Partnership Program	16.607	NA	<u>628</u>
			<u>93,588</u>
U.S. Department of Labor/ New York State Department of Labor/ Workforce Investment Act (WIA) (Pass through funds to Warren and Washington Counties - \$764,672) WIA Cluster			
WIA Adult Program	17.258	NA	265,736
WIA Youth Activities	17.259	NA	114,458
WIA Dislocated Workers	17.260	NA	<u>325,147</u>
			705,341
WIA Employment and Training	17.262	NA	<u>109,663</u>
			<u>815,004</u>
U.S. Department of Transportation/ Airport Improvement Program	20.106	NA	<u>412,856</u>
New York State Department of Transportation/ Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	Various	73,976
Recreational Trails Program	20.219	1756.29.321	<u>61,450</u>
			<u>135,426</u>
			<u>548,282</u>
U.S. General Services Administration/ New York State Board of Elections/ Election Reforms	39.011	NA	<u>12,424</u>
U. S. Department of Education/ New York State Office of Temporary and Disability Assistance/ Special Education - Grants for Infants and Families	84.181	CO-17625	<u>135,450</u>
U.S. Election Assistance Commission/ New York State Board of Elections/ Help America Vote Act	90.401	NA	<u>1,126,997</u>

SARATOGA COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor/ Grantor Number	Federal Expenditures
U. S. Department of Health and Human Services/			
New York State Office of the Aging/			
Special Programs for the Aging/			
Title VII, Ombudsman	93.042	NA	8,684
Title III, Part D	93.043	NA	4,229
Aging Cluster			
Title III, Part B	93.044	NA	160,691
Title III, Part C	93.045	NA	303,559
Nutrition Services Incentive Program	93.053	NA	<u>130,944</u>
			608,107
Low-Income Home Energy Assistance (WRAP)	93.568	NA	34,126
Title V, Senior Employment	93.***	NA	34,220
Family Support	93.***	NA	<u>73,881</u>
			<u>750,334</u>
New York State Office of Temporary and Disability Assistance/			
Temporary Assistance for Needy Families (TANF)	93.558	NA	5,054,808
Child Support Enforcement - Title IV-D	93.563	NA	1,051,260
Low-Income Home Energy Assistance	93.568	NA	6,910,158
Social Services Block Grant	93.667	NA	<u>299,094</u>
			<u>13,315,320</u>
New York State Department of Health/			
Immunization Program	93.268	C-018698	47,414
Medical Assistance Program	93.778	NA	1,718,486
Early Intervention	93.918	NA	105,044
Childhood Lead Poisoning Prevention	93.993	C-020627	14,908
Children with Special Health Care Needs	93.994	C-021575	<u>16,783</u>
			<u>1,902,635</u>
New York State Office of Children and Family Services/			
Child Care and Development Block Grant	93.575	NA	2,311,900
Foster Care - Title IV-E	93.658	NA	614,838
Adoption Assistance	93.659	NA	124,845
Chafee Foster Care Independence Program	93.674	NA	<u>66,213</u>
			<u>3,117,796</u>
New York State Office of Mental Health/			
Federal Medicaid Administrative Salary Sharing	93.778	NA	<u>78,000</u>

SARATOGA COUNTY, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2008**

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Grantor/ <u>Grantor Number</u>	Federal <u>Expenditures</u>
New York State Office of Alcoholism and Substance Abuse Services/			
Federal Medicaid Salary Sharing - OASAS	93.778	NA	8,000
Substance Abuse Treatment and Prevention Grant	93.959	NA	<u>512,697</u>
			<u>520,697</u>
Health Research, Inc./			
Bio Terrorism Grant	93.283	001599-03	<u>128,551</u>
New York State Department of Labor/			
Family Support Payments to States (TANF Summer Program Grant)	93.560	NA	<u>80,042</u>
Center for Medicaid and Medicare Services/			
Reimbursement of State Costs for Provision of Part D Drugs	93.794	NA	<u>280,898</u>
New York State Board of Elections/			
Voting Access for Individuals with Disabilities	93.617	NA	<u>35,536</u>
			<u>20,209,809</u>
U. S. Corporation for National and Community Service/			
New York State Office of the Aging/			
Special Programs for the Aging/			
Retired Senior Volunteer Program	94.002	NA	<u>45,312</u>
U.S. Department of Homeland Security/			
New York State Emergency Management Office/			
Civil Defense Assistance/			
Local Emergency Management Performance Grant	97.042	NA	48,729
Law Enforcement Terrorism Grant	97.067	WMO6835162	<u>117,000</u>
			165,729
New York State Office of Homeland Security /			
State Homeland Security Program (SHSP)	97.073	NA	<u>32,511</u>
			<u>198,240</u>
			<u>\$ 34,866,931</u>

NA - Not available from pass-through Agency.

See 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*, Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and Independent Auditor's Report on Schedule of Expenditures of Federal Awards, and Notes to Schedule of Expenditures of Federal Awards.

SARATOGA COUNTY, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2008

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Saratoga County, New York (County) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The County is defined in Note A of the basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies (if any) are included on the schedule.

NOTE B - NON-CASH ASSISTANCE

Federal awards expended in the form of non-cash supplemental nutrition assistance and election reform assistance by the County during the year ended December 31, 2008, amounted to \$214,247 and \$1,139,421, respectively.

NOTE C - LOANS AND LOAN GUARANTEES

The County had no federal loans or federal loan guarantees outstanding as of December 31, 2008.

NOTE D - INSURANCE

The County did not participate in any federal insurance programs during the year ended December 31, 2008.

NOTE E - SUBRECIPIENTS

The County serves as the lead agency for various workforce investment programs in the region. Pass-through funds totaling \$764,672 were made to Warren and Washington Counties during the year ended December 31, 2008.

SARATOGA COUNTY, NEW YORK

SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended December 31, 2008

Section II - Financial Statement Audit Findings

07-01. Prior Year Audit Adjustments

Condition: The County did not post several of the prior year's audit adjustments, or posted the adjustments to different accounts than agreed-upon and discussed in detail at the close of the December 31, 2007, audit.

Status: Corrective action taken.

07-02. Requests for Reimbursement

Condition: During 2007, the Office of the Aging did not always submit requests for reimbursement in a timely manner for its 2007 expenditures.

Status: Corrective action taken.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

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

Chairman and Board of Supervisors
Saratoga County, New York
Ballston Spa, New York

We have audited the financial statements of Saratoga County, New York (County) as of and for the year ended December 31, 2008, and have issued our report thereon dated September 21, 2009. 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 Industrial Development Agency, 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 those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency 08-01 described in the accompanying Schedule of Findings and Questioned Costs to be significant.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also consider to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the County'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 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*.

This report is intended solely for the information and use of the Chairman and 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.

Bollam Sheedy Torani & Co. LLP

Albany, New York
September 21, 2009

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

Chairman and Board of Supervisors
Saratoga County, New York
Ballston Spa, New York

Compliance

We have audited the compliance of Saratoga County, New York (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, 2008. The County's major federal programs are identified in the summary of independent auditor's 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.

As described in item 08-02 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding reporting applicable to all federal award expenditures and allowable costs applicable to its Foster Care Title IV-E program. Compliance with such requirements is necessary, in our opinion, for the County to comply with requirements applicable to its programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the County 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, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with 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 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 and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and another that we consider to be a material weakness.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 08-02 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

The County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the County as of and for the year ended December 31, 2008, and have issued our report thereon dated September 21, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Chairman and 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.

Bollam Sheedy Torani & Co. LLP

Albany, New York
September 21, 2009

BOLLAM, SHEEDY, TORANI & CO. LLP Certified Public Accountants

An Independent Member of the RSM McGladrey Network

SARATOGA COUNTY, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2008**

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

Supplemental Nutrition Assistance Program	CFDA Number 10.551
Child Support Enforcement- Title IV-D	CFDA Number 93.563
Low Income Home Energy Assistance Program	CFDA Number 93.568
Foster Care- Title IV-E	CFDA Number 93.658
Reimbursement of State Costs for Provision of Part D Drugs	CFDA Number 93.794

Dollar threshold used to distinguish between type A and type B programs: \$1,010,759

Auditee qualified as low-risk auditee? Yes No

SARATOGA COUNTY, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended December 31, 2008

Section II - Financial Statement Audit Findings

08-01. External Financial Reporting

Criteria: According to Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations, Auditee responsibilities* subpart C.300(a) and (d), “The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. The auditee shall prepare appropriate financial statements, including the Schedule of Expenditures of Federal awards (SEFA) in accordance with subpart C.310.”

Condition: The County relies on its auditors for assistance with preparing the SEFA, in accordance with *OMB Circular A-133*. Although the County has taken steps to improve accuracy of information reported in this schedule, the original year-end SEFA required numerous changes before the schedule was reasonably correct.. Many of the changes were the result of further inquiry and analysis of departmental expenditure information, program validation procedures for newly reported programs, and analysis of prior year expenditures to current year by program.

Cause: Although the personnel of various departments involved in developing the SEFA expenditures received training by the Treasurer’s Department during the last year, County departmental personnel responsible for the SEFA preparation accuracy did not sufficiently show care was taken in putting the expenditure information together.

Effect: The County did not adequately fulfill its responsibility to complete the SEFA as required by *OMB Circular A-133*.

Recommendation: Specific measures could be review of summary schedules with relevant dating information, and comparison of the prior year SEFA to the current year. Those charged with compiling the SEFA should obtain the additional training necessary (through courses or reference materials) to understand the components of the SEFA and properly gather the correct information and maintain supporting documentation. This would enable the County to implement general procedures to train all departments receiving federal aid on how to properly report the necessary information to the Treasurer’s Office. Further, the Treasurer’s Office should take measures to assess the reasonableness of the expenditure information provided by the departments and to make inquiries about the departmental supporting their data when staff believes there may be reason to question the departmental information.

Views of Responsible Officials and Planned Corrective Actions: The Treasurer’s Office will meet with all County departments to educate them to ensure that they understand that they may be in receipt of federal funds and/or federal non-cash items. They also need to be trained in the concepts of SEFA. When the departments submit SEFA worksheets to the Treasurer’s Office, the worksheets will be reviewed for reasonableness and compared with the prior year audited SEFA.

SARATOGA COUNTY, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended December 31, 2008

Section III - Federal Award Findings and Questioned Costs

08-02. Payroll Controls

Foster Care - Title IV-E CFDA Number 93.658

Criteria: Employee time earned and used per approved time cards, and subsequently compiled for processing, should be carefully reviewed for data entry errors. This review should be done each payroll cycle as the time information is submitted for processing, and then compared to information actually processed to ensure the time information was processed as intended and supported by source time information.

Condition: An employee's timecard and timesheet for the period tested indicated a day of sick leave was used by the employee, yet the deduction of sick leave was not made from the employee's existing sick leave accrual.

Cause: The Foster Care Unit's payroll summary spreadsheet for the period did not include a deduction for the sick day used. Therefore, the Social Services Accounting Department (DSS Accounting) did not have reason to reduce the employee's sick time accrual during payroll data entry. The Social Services Accounting Department and Foster Care management considers this incidence an error that should have been detected as early as the next payroll cycle if the individual's opening sick leave accrual balance on the following period's timesheet was compared to the opening leave balance in the spreadsheet provided to DSS Accounting for the prior period. This comparison is either not done consistently by the Unit, or the employee accrual balance was changed in a subsequent timesheet to agree to the master spreadsheet provided to DSS Accounting.

Effect: The employee's sick leave time was overstated by seven hours and was not subsequently identified.

Recommendation: Management should implement improved controls as suggested in the *Criteria* section of the finding.

Views of Responsible Officials and Planned Corrective Actions: During the latter part of 2008, DSS Accounting completed a review of its payroll process and put new measures in place to ensure consistency and accuracy with reporting. This included having a designated person data entering payroll onto spreadsheets for the Services Department, as opposed to the old process of having each senior enter time into the spreadsheet. That person is also responsible for notifying the supervisors of any discrepancies found between the timecards, timesheets, and the spreadsheet that is turned in to Accounting. DSS Accounting also forwards a list of any errors or discrepancies that is found to the unit supervisors after payroll has been completed, so that if errors have been made, they can be corrected in a timely manner. This new process has eliminated many errors.