

SARATOGA COUNTY, NEW YORK

SINGLE AUDIT REPORTS

Year Ended December 31, 2007

SARATOGA COUNTY, NEW YORK

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Year Ended December 31, 2007

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SARATOGA COUNTY, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2007**

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>
U. S. Department of Agriculture/ New York State Office of Temporary and Disability Assistance/ Food Stamp Program	10.551	NA	\$ <u>9,649,956</u>
U.S. Department of Labor/ New York State Department of Labor/ Workforce Investment Act (WIA) (Pass through funds to Warren and Washington Counties - \$783,454) WIA Cluster			
WIA Adult Program	17.258	NA	293,120
WIA Youth Activities	17.259	NA	152,030
WIA Dislocated Workers	17.260	NA	<u>191,201</u>
			636,351
WIA Employment & Training	17.262	NA	<u>62,352</u>
			<u>698,703</u>
U.S. Department of Transportation/ Airport Improvement Program	20.106	N/A	210,982
New York State Department of Transportation/ Highway Planning and Construction	20.205	Various	27,447
Highway Planning and Construction - Zim Smith Mid County Trail	20.205	1756.29.321	<u>332,957</u>
			<u>571,386</u>
U. S. Department of Education/ New York State Office of Temporary and Disability Assistance/ Independent Living	84.169	NA	57,676
Early Intervention/Child Find	84.181	CO-17625	<u>142,018</u>
			<u>199,694</u>
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	10,374
Title III, Part D	93.043	NA	4,390
Aging Cluster			
Title III, Part B	93.044	NA	164,313
Title III, Part C	93.045	NA	278,885
Nutrition Services Incentive Program	93.053	NA	<u>136,364</u>
			<u>594,326</u>
W.R.A.P.	93.568	NA	33,589
Title V, Senior Employment	93.***	NA	46,117
Family Support	93.***	NA	<u>88,172</u>
			<u>762,204</u>

SARATOGA COUNTY, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2007**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor/ Grantor Number	Federal Expenditures
New York State Office of Temporary and Disability Assistance/			
Temporary Assistance for Needy Families (TANF)	93.558	NA	5,057,204
Child Support Enforcement - Title IV-D	93.563	NA	1,041,797
Low Income Home Energy Assistance Block Grant	93.568	NA	3,245,275
Social Services Block Grant	93.667	NA	<u>94,231</u>
			<u>9,438,507</u>
New York State Department of Health/			
Immunization Program	93.268	CO-15678	21,468
Medical Assistance Program	93.778	NA	1,811,836
Early Intervention	93.918	NA	199,563
Childhood Lead Poisoning Prevention	93.993	CO-16112	29,674
Children with Special Health Care Needs	93.994	C-021575	<u>23,211</u>
			<u>2,085,752</u>
New York State Office of Children and Family Services/			
Child Care and Development Block Grant	93.575	NA	1,906,309
Foster Care - Title IV-E	93.658	NA	840,475
Adoption Assistance	93.659	NA	<u>13,763</u>
			<u>2,760,547</u>
New York State Office of Mental Health/			
Federal Medicaid Administrative Salary Sharing	93.778	NA	<u>77,890</u>
U. S. Department of Health and Human Services/			
New York State Office of Alcoholism and Substance Abuse Services/			
Federal Medicaid Salary Sharing - OASAS	93.778	NA	5,948
Substance Abuse Treatment and Prevention Grant	93.959	NA	<u>409,521</u>
			<u>415,469</u>
Health Research, Inc./			
Bio Terrorism Grant	93.283	001599-03	<u>205,257</u>
New York State Department of Labor/			
Family Support Payments to States (TANF Summer Program Grant)	93.560	NA	<u>68,568</u>
Center for Medicaid and Medicare Services/			
Reimbursement of State Costs for Provision of Part D Drugs	93.794	NA	<u>266,165</u>
			<u>16,080,359</u>

SARATOGA COUNTY, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2007**

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>
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>33,854</u>
U.S. Department of Homeland Security/ New York State Emergency Management Office/ Civil Defense Assistance			
Local Emergency Management Performance Grant	97.042	NA	207,370
Law Enforcement Terrorism Grant	97.067	WMO6835162	<u>94,299</u>
			<u>301,669</u>
			<u>\$ 27,535,621</u>

NA - Not available from pass-through Agency.

See Report of Independent Certified Public Accountants 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*, Report of Independent Certified Public Accountants on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and Report of Independent Certified Public Accountants 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, 2007

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 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 statutory basis 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 food stamps assistance by the County during the year ended December 31, 2007, amounted to \$201,838.

NOTE C - LOANS AND LOAN GUARANTEES

The County had no federal loans or federal loan guarantees outstanding as of December 31, 2007.

NOTE D - INSURANCE

The County did not participate in any federal insurance programs during the year ended December 31, 2007.

NOTE E - SUBRECIPIENTS

The County serves as the lead agency for various workforce investment programs in the region. Pass-through funds totaling \$783,454 were made to Warren and Washington Counties during the year ended December 31, 2007.

SARATOGA COUNTY, NEW YORK

SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2007

Section II - Financial Statement Audit Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
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
Saratoga County, New York

We have audited the financial statements of Saratoga County, New York (County) as of and for the year ended December 31, 2007, and have issued our report thereon dated August 27, 2008. 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.

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 deficiencies 07-01 and 07-02 described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

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 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 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*.

We noted certain matters that we reported to management of the County, in a separate letter dated August 27, 2008.

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
August 27, 2008

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

Chairman and Board of Supervisors
Saratoga County, 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, 2007. The County's major federal programs are identified in the summary of independent auditor's results section of the accompanying Schedule of Findings and Responses. 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, 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, 2007. The results of our auditing procedures disclosed no instances of noncompliance.

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*.

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.

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.

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 - statutory basis of the County as of and for the year ended December 31, 2007, and have issued our report thereon dated August 27, 2008. 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
August 27, 2008

SARATOGA COUNTY, NEW YORK
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2007

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

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:

Food Stamps	CODA Number 10.551
Aging Title III Cluster	CFDA Numbers 93.044, 93.045, 93.053
Temporary Assistance to Needy Families (TANF)	CFDA Number 93.558
Low Income Home Energy Assistance Program	CFDA Number 93.568
Child Care Development Block Grant	CFDA Number 93.575
Medical Assistance Program	CFDA Number 93.778

Dollar threshold used to distinguish between type A and type B programs: \$ 813,000

Auditee qualified as low-risk auditee? Yes No

SARATOGA COUNTY, NEW YORK
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2007

Section II - Financial Statement Audit Findings

07-01. Prior Year Audit Adjustments

Criteria: All adjustments, including audit adjustments to the general ledger, should be recorded in a timely manner to ensure the complete activity of the entity is reflected.

Condition: The County did not post several of the prior year's audit adjustments, causing beginning fund balance in several funds to be misstated.

Cause: The accounting system is closed at the end of the year to avoid accidental postings back into the closed year; however, this does not allow audit adjustments impacting the closed year to be posted.

Effect: During the year, the 2007 balance sheet information of several funds was impacted by the missing audit adjustments; however, there were no funds unaccounted for.

Recommendation: Understanding the County's system is only closed at year end, the County should implement procedures to ensure all audit adjustments are posted in a timely manner after the audit is complete to ensure the County is utilizing the most current financial information for the current year. These procedures should include establishing a date within the first month of the new year on which all adjustments are posted after the prior year is closed so fund balance is properly stated.

Views of Responsible Officials and Planned Corrective Actions:

Audit adjustments are reviewed and evaluated whether to be posted to the general ledger or not. The County does not post adjusting entries to closed periods as part of its internal control procedures over financial data. If an adjustment has been made prior to the finalization of the Single Audit, and due to the staff establishing the need for said adjustment, the County does not re-enter the adjustment.

The County has developed a revised procedure of posting all approved adjusting entries as of a single date in the beginning of the subsequent year for ease of confirmation of the balance sheet information.

07-02. Requests for Reimbursement

Criteria: Requests for reimbursement of expenditures should be submitted to the funding agency in a timely manner after expenditures have been made so there is minimal impact to the entity's cash flow position.

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

Cause: There are no County guidelines for submitting reimbursements which the departments can follow if a grant program does not explicitly provide those guidelines.

Effect: The County's General Fund has expended funds that they are not going to be reimbursed for until the requests are submitted. Although some of reimbursement requests were not submitted until the subsequent year, there were no funds unaccounted for.

SARATOGA COUNTY, NEW YORK
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2007

Section II - Financial Statement Audit Findings - Continued

07-02. Requests for Reimbursement - Continued

Recommendation: If grant programs do not provide guidelines for reimbursement submission, the County should develop guidelines for all of the departments required to submit request for reimbursement to ensure these are completed and submitted timely.

Views of Responsible Officials and Planned Corrective Actions:

In 2007, the Office for the Aging was not as timely as in the past in submitting reimbursements due to a change in the software used for the client database. The principal account clerk, who submits the vouchers for reimbursements, was also made responsible for overseeing the task of inputting 5,000+ clients and their information into a database as well as, being the administrator of the database. This caused a slight lag in the reimbursement procedure.

However, what is being referred to in the audit is that reimbursements were submitted the following year. Per NYSOFA rules, the expenditure date reported on the claims must reflect costs incurred and paid. What this means is, that even though the year ended, these costs cannot be submitted for reimbursement until the vouchers from the subcontractors are submitted and paid. NYSOFA allows ninety days from the end of the program year to submit a voucher for reimbursement. Some subcontractors are very slow in submitting payment. The department works very hard to process their vouchers in a timely manner.

Section III - Federal Award Findings and Questioned Costs

None reported.