

COUNTY OF SARATOGA, NEW YORK

Single Audit and
Independent Auditors' Report

December 31, 2018

COUNTY OF SARATOGA, NEW YORK

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the County of Saratoga, New York's (the County), compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

As discussed in note 1 to the schedule of expenditures of federal awards, the County's basic financial statements include the operations of certain entities whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2018. Our audit described below, did not include the federal awards, if any, of the entities identified in note 1.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of 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, 2018.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2018, and the related notes to the basic financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated July 17, 2019, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Saratoga County Water Authority, Saratoga County Prosperity Partnership, Inc., or Saratoga County Industrial Development Agency which are discretely presented component units of the County. Those statements were audited by other auditors whose report has been provided to us, and our opinion, insofar as it relates to amounts included for the Saratoga Water Authority, Saratoga County Prosperity Partnership, Inc., or Saratoga County Industrial Development Agency is based solely on the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
July 17, 2019

**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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 17, 2019. Our report includes a reference to other auditors who audited the financial statements of the Saratoga County Water Authority, Saratoga County Prosperity Partnership, Inc., and the Saratoga County Industrial Development Agency, as described in our report on the County's basic financial statements. 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.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Purpose of this Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
July 17, 2019

COUNTY OF SARATOGA, NEW YORK
Schedule of Expenditures of Federal Awards
Year ended December 31, 2018

<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>Expenditures to Subrecipients</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	\$ 1,533,472	-
U.S. Department of Justice - passed through New York State - Violence Against Women Formula Grants	16.588	C652077/C520776	34,711	-
U.S. Department of Labor - passed through New York State:				
Senior Community Service Employment Program	17.235	N/A	14,620	-
Trade Adjustment Assistance	17.245	N/A	425	-
WIA Cluster:				
WIA Adult Program	17.258	N/A	141,154	-
WIA Youth Activities	17.259	N/A	69,590	-
WIA Dislocated Worker Formula Grants	17.278	N/A	425,366	-
Total WIA Cluster			636,110	-
Total U.S. Department of Labor			651,155	-
U.S. Department of Transportation - passed through New York State:				
Airport Improvement Program	20.106	1902.16 / 1902.20 1902.53	712,035	-
Highway Planning and Construction	20.205	1759.72 / 1760.46 1760.64 / 1760.67	918,611	-
Total U.S. Department of Transportation			1,630,646	-
U.S. Department of Education - passed through New York State - Special Education Grants for Infants and Families	84.181	C31658GG	53,337	-

(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>Expenditures to Subrecipients</u>
U.S. Department of Health and Human Services - passed through New York State:				
Aging Cluster:				
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	N/A	\$ 4,472	-
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	232,704	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	764,255	-
Nutrition Services Incentive Program	93.053	N/A	<u>101,849</u>	<u>-</u>
Total Aging Cluster			<u>1,103,280</u>	<u>-</u>
National Family Caregiver Support, Title III, Part E	93.052	N/A	69,764	-
Public Health Emergency Preparedness	93.069	1599.11	199,868	-
Immunization Cooperative Agreements	93.268	C028315	28,058	-
Temporary Assistance for Needy Families	93.558	N/A	7,490,359	-
Child Support Enforcement	93.563	N/A	1,016,301	-
Low-Income Home Energy Assistance	93.568	N/A	7,163,181	-
Child Care and Development Block Grant	93.575	N/A	364,389	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	2,334,273	-
Foster Care, Title IV-E	93.658	N/A	1,348,683	-
Adoption Assistance	93.659	N/A	193,732	-
Social Services Block Grant	93.667	N/A	1,152,349	-
Chafee Foster Care Independence Program	93.674	N/A	50,484	-
Children's Health Insurance Program	93.767	N/A	69,316	-
Medical Assistance Program	93.778	N/A	175,918,174	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	74,283	74,283
Maternal and Child Health Service Block Grant to the States	93.994	C32681GG	<u>43,380</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>198,619,874</u>	<u>74,283</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>Expenditures to Subrecipients</u>
Corporation for National and Community Service - Retired and Senior Volunteer Program	94.002	N/A	\$ 40,000	-
U.S. Department of Homeland Security - passed through New York State:				
Emergency Management Performance Grants	97.042	C973075	91,737	-
Emergency Management Performance Grants	97.042	C835185	52,170	-
Interoperable Emergency Communications Grant	97.055	C198500	728,462	-
Interoperable Emergency Communications Grant	97.055	C198664	55,024	-
Interoperable Emergency Communications Grant	97.055	C198226	19,693	-
Homeland Security Grant Program	97.067	C973050	656	-
Homeland Security Grant Program	97.067	C973040	155,321	-
Homeland Security Grant Program	97.067	C973062	47,526	-
Homeland Security Grant Program	97.067	C973072	8,243	-
Total U.S. Department of Homeland Security			<u>1,158,832</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 203,722,027</u>	<u>74,283</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, 2018

(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 (the County), an entity as defined in the basic financial statements. This schedule does not include the Federal awards, if any, of Saratoga County Water Authority, Saratoga County Prosperity Partnership, Inc., or the Saratoga County Industrial Development Agency.

(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. The County has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards.

(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, 2018, the County distributed \$173,974,684 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 \$6,736,189 in direct payments made by the State.

(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. The County does not use the 10% de minimis election.

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) Pass Thru Entities

The County serves as the lead agency for various workforce investment programs in the region. Pass-through funds of \$974,499 were collectively made to Warren County and to Washington County during the year ended December 31, 2018 for various U.S. Department of Labor programs identified as the WIA Cluster.

COUNTY OF SARATOGA, NEW YORK
 Schedule of Findings and Questioned Costs
 Year ended December 31, 2018

Part I. - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP:

Unmodified

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:

Unmodified

- | | | | |
|--|---------|-----------------|--|
| 6. Any audit findings disclosed that are required to be reported in accordance with the 2 CFR Section 200.516(a) (Uniform Guidance)? | ___ Yes | ___ <u>X</u> No | |
| 7. The County's major programs audited were: | | | |

<u>Name of Federal Programs</u>	<u>CFDA Number</u>
Medical Assistance Program	93.778
Highway Planning and Construction	20.205

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

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, 2018

There were no findings reported for the year ended December 31, 2017.