

**COUNTY OF ONONDAGA, NEW YORK**

**REPORTS REQUIRED BY THE SINGLE AUDIT ACT  
AND GOVERNMENT AUDITING STANDARDS**

**DECEMBER 31, 2010**

**COUNTY OF ONONDAGA, NEW YORK**

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

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To the Honorable County Executive, Joanne M. Mahoney  
and Honorable Members of the County Legislature  
County of Onondaga, New York

We have audited the basic financial statements of the County of Onondaga, New York (the "County") as of and for the year ended December 31, 2010, and have issued our report thereon dated April 13, 2011. We did not audit the financial statements of Onondaga County Community College and Friends of the Rosamond Gifford Zoo, which together represent 91% and 82%, respectively, of the assets and revenues of the aggregate discretely, presented component units. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our consideration of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters and internal control over financial reporting did not include the operations of Onondaga Community College, the Onondaga County Convention Center/War Memorial Complex Management Corporation, Onondaga County Industrial Development Agency, Friends of the Rosamond Gifford Zoo and the Onondaga Tobacco Asset Securitization Corporation.

## 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 *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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 10-1 to be a material weakness.

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.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of the County's 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 which are required to be reported under *Government Auditing Standards*.

The County's response to the finding identified in our audit is 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 the response.

This report is intended solely for the information of the County Legislature, management, and 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.

*Testano, Marshall & Ancega, LLP*

April 13, 2011  
Syracuse, New York



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**INDEPENDENT AUDITOR'S 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**

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To the Honorable County Executive, Joanne M. Mahoney  
and Honorable Members of the County Legislature  
County of Onondaga, New York

**COMPLIANCE**

We have audited the compliance of the County of Onondaga, New York (the "County") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the summary of 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.

The County's basic financial statements include the operations of Onondaga Community College, Onondaga County Convention Center/War Memorial Complex Management Corporation, Onondaga County Industrial Development Agency, Friends of the Rosamond Gifford Zoo and the Onondaga Tobacco Asset Securitization Corporation whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2010. Our audit, described below, did not include the federal awards of the above entities as these entities conducted audits in accordance with OMB Circular A-133, if required.

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, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying schedule of findings and questioned costs as item 10-4.

#### **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 but not for the purpose of expressing an opinion on the effectiveness the County's internal controls. Accordingly, we do not express an opinion 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 was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-4 and 10-5 to be material weaknesses.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-2 and 10-3 to be significant deficiencies.

The County's responses 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 responses and, accordingly, we express no opinion on the responses.

### **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

We have audited the financial statements of the County of Onondaga, New York as of and for the year ended December 31, 2010 and have issued our report thereon dated April 13, 2011. 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 the purposes of additional analysis as required by OMB Circular A-133 and is not a required part 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 of the County Legislature, management and 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.

*Testa, Marshall & Assoc., LLP*

August 25, 2011  
Syracuse, New York

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
<b>U.S. Department of Agriculture:</b>			
Pass-Through New York State Education Department:			
Child Nutrition Cluster:			
School Breakfast Program	10.553		\$ 34,649
National School Lunch Program	10.555		<u>58,420</u>
Total Child Nutrition Cluster			<u>93,069</u>
Pass-Through NYS Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	C025777	2,012,275
	10.557	C25815	307,987
	10.557		<u>6,861,967</u>
Total WIC			<u>9,182,229</u>
Pass-Through New York State (NYS) Department of Family Assistance:			
ARRA - State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		802,772
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		<u>2,677,409</u>
Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program			<u>3,480,181</u>
Total U.S. Department of Agriculture			<u>12,755,479</u>
<b>U.S. Department of Defense:</b>			
Direct Programs:			
Protection of Public Works	12.105		<u>505,697</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		2,930,030
ARRA - Community Development Block Grants/Entitlement Grants	14.218		<u>323,758</u>
Total Community Development Block Grants/Entitlement Grants			<u>3,253,788</u>
Emergency Shelter Grants Program	14.231		<u>525,775</u>
HOME Investment Partnerships Program	14.239		<u>1,225,078</u>
Pass-Through NYS Department of Family Assistance:			
ARRA - Homeless Prevention and Rapid Re-Housing	14.257		<u>922,994</u>
Pass-Through City of Syracuse:			
Lead-Based Paint Hazard Control in Privately- Owned Housing	14.900		137,433
Direct Programs:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		<u>2,342,409</u>
Total Lead-Based Paint Hazard Control in Privately Owned Housing			<u>2,479,842</u>
Total U.S. Department of Housing and Urban Development			<u>8,407,477</u>

(Continued)



**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
<b>U.S. Department of Justice:</b>			
Direct Programs:			
Independent Commission Against Corruption	16.800		<u>19,907</u>
Public Safety Partnership and Community Policing Grants	16.710		<u>650,839</u>
Byrne Justice Assistance Grant	16.738		523,654
Pass-Through NYS Division of Criminal Justice Services:			
Byrne Justice Assistance Grant	16.738		<u>73,897</u>
Total Byrne Justice Assistance Grant			<u>597,551</u>
Crime Laboratory Improvement	16.564	DN-BX-K222	1,500
	16.564	DN-BX-K120	52,767
	16.564	DN-BX-K091	<u>36,058</u>
Total Crime Laboratory Improvement			<u>90,325</u>
Coverdell Forensic Science	16.742	C831136	<u>203,974</u>
Total U.S. Department of Justice			<u>1,562,596</u>
<b>U.S. Department of Labor:</b>			
Pass-Through National Council on Aging:			
Senior Community Service Employment Program	17.235		278,310
ARRA - Senior Community Service Employment Program	17.235		<u>24,410</u>
Total Senior Community Service Employment Program			<u>302,720</u>
Direct Program:			
ARRA - Disability Employment Policy Development	17.720		<u>28,707</u>
Total U.S. Department of Labor			<u>331,427</u>
<b>U.S. Department of Transportation:</b>			
Pass-Through NYS Department of Transportation:			
Highway Planning and Construction	20.205		2,481,477
ARRA - Highway Planning and Construction	20.205		<u>6,963,351</u>
Total Highway Planning and Construction			<u>9,444,828</u>
Federal Transit Metropolitan Planning Grants	20.505		<u>282,174</u>
Pass-Through NYS Governor's Traffic Safety Committee:			
State and Community Highway Safety	20.600		<u>114,696</u>
Total U.S. Department of Transportation			<u>9,841,698</u>
<b>Institute of Museum and Library Services:</b>			
Pass-Through NYS Department of Education:			
Museums for America	45.301		<u>52,411</u>

(Continued)

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
<b>U.S. Environmental Protection Agency:</b>			
Direct Programs:			
ARRA - Capitalization Grants for Clean Water	66.458		19,697
Lead Dust Intervention	66.716		7,453
Pass-Through NYS Department of Health: State Indoor Radon Grants	66.032	C018977	<u>3,521</u>
Total U.S. Environmental Protection Agency			<u>30,671</u>
<b>U.S. Department of Energy:</b>			
Direct Programs:			
ARRA - Energy Efficiency and Conservation Block Grant	81.128		<u>80,211</u>
<b>U.S. Department of Education:</b>			
Pass-Through NYS Office of Alcohol and Substance Abuse Services: Safe and Drug Free Schools and Communities	84.186		<u>207,137</u>
Pass-Through NYS Department of Health: Special Education Grants for Infants and Families with Disabilities	84.181	C21808 Unknown	354,992 <u>5,503</u>
Total Special Education Grants for Infants and Families with Disabilities			<u>360,495</u>
Special Education Grants	84.027		<u>49,729</u>
ARRA - Special Education Grants	84.393		<u>80,521</u>
ARRA - State Stabilization	84.397		<u>4,360,178</u>
Total U.S. Department of Education			<u>5,058,060</u>
<b>U.S. Department of Health and Human Services:</b>			
Direct Programs:			
Healthy Start	93.926	5H49MC00067-08-00	85,008
	93.926	5H49MC00067-09-00	400,399
	93.926	5H49MC00067-10-01	<u>479,539</u>
Total Healthy Start			<u>964,946</u>
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104		<u>439,435</u>
Pass-Through National Association of County and City Health Officials Medical Reserve Corps Small Grant Program	93.008		<u>5,000</u>
Pass-Through NYS Office for the Aging:			
Aging Cluster:			
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043		27,970
Special Programs for the Aging - Title III, Part B - Grants for Supporting Services and Senior Centers	93.044		425,005
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045		853,884
Nutrition Service Incentive Program	93.053		<u>243,113</u>
Total Aging Cluster			<u>1,549,972</u>

(Continued)

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
<b>U.S. Department of Health and Human Services (Continued):</b>			
Special Programs for the Aging-Title IV and Title II Discretionary Projects	93.048		<u>159,091</u>
National Family Caregiver Support, Title III, Part E	93.052		<u>210,292</u>
Research, Demonstration and Evaluations	93.779		<u>32,549</u>
Pass-Through NYS Office of Mental Health: Projects for Assistance in Transition from Homelessness	93.150		<u>466,683</u>
Pass-Through Health Research, Inc.:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HRI 1775-06	(13)
	93.283	HRI 3487-01	10,472
	93.283	C-3487-02	44,762
	93.283	C-3487-03	<u>93,658</u>
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance			<u>148,879</u>
Public Health Preparedness - H1N1	93.069		<u>572,150</u>
Pass-Through NYS Office of Alcohol and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		<u>1,975,911</u>
Pass-Through NYS Department of Family Assistance:			
Temporary Assistance for Needy Families	93.558		<u>30,234,908</u>
Child Support Enforcement (Title IV-D)	93.563		1,727,166
ARRA - Child Support Enforcement (Title IV-D)	93.563		<u>582,905</u>
Total Child Support Enforcement (Title IV-D)			<u>2,310,071</u>
Refugee and Entrant Assistance - Voluntary Agency Programs	93.567		<u>1,140,174</u>
Low-Income Home Energy Assistance	93.568		<u>19,774,100</u>
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575		11,479,329
ARRA - Child Care and Development Block Grant	93.713		<u>1,356,103</u>
Total Child Care and Development Fund Cluster			<u>12,835,432</u>
Child Welfare	93.645		<u>482,495</u>
Pass-Through NYS Department of Family Assistance:			
Foster Care - Title IV-E	93.658		5,172,253
ARRA - Foster Care - Title IV-E	93.658		<u>243,696</u>
Total Foster Care - Title IV-E			<u>5,415,949</u>
Adoption Assistance	93.659		2,795,994
ARRA - Adoption Assistance	93.659		<u>252,356</u>
Total Adoption Assistance			<u>3,048,350</u>
Social Services Block Grant	93.667		<u>3,092,781</u>
Chafee Foster Care Independent Living	93.674		<u>209,901</u>

(Continued)

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/Program Title	CFDA #	Pass-Through Grantor ID #	Federal Expenditures
<b>U.S. Department of Health and Human Services (Continued):</b>			
Pass-Through NYS Department of Health:			
Immunization Cluster:			
Immunization Grants	93.268	C023258	109,881
	93.268	C023001	3,679
ARRA - Immunization	93.712		<u>30,038</u>
Total Immunization Cluster			<u>143,598</u>
State Children's Insurance Program	93.767	C021715	<u>155,846</u>
ARRA - Medical Assistance Program	93.778		19,722,616
Medical Assistance Program	93.778		355,195,422
	93.778	C022677A	3,139
	93.778	C021715	119,881
	93.778	C021374	<u>99,914</u>
Total Medical Assistance Program			<u>375,140,972</u>
Preventive Health Services - Sexually Transmitted	93.977	C021838	<u>166,724</u>
Preventive Health and Health Services Block Grant	93.991	T025635	1,615
	93.991	C020238	19,191
	93.991	C0230001	<u>20,733</u>
Total Preventive Health and Health Services Block Grant			<u>41,539</u>
Maternal and Child Health Services Block Grant to the States	93.994	C023001	9,029
	93.994	T025635	129
	93.994	C020238	28,020
	93.994	C021148	131,334
	93.994	C026523	29,388
	93.994	C021565	<u>44,418</u>
Total Maternal and Child Health Services Block Grant to the States			<u>242,318</u>
Total U.S. Department of Health and Human Services			<u>460,960,066</u>
<b>U.S. Department of Homeland Security:</b>			
Pass-Through NYS Homeland Security:			
Hazardous Material Assistance Program	97.021		1,220
Individual and Family Grants	97.035		155,782
Homeland Security Grant	97.067		1,063,746
Pass-Through NYS Department of Transportation:			
Public Assistance Grants	97.036		<u>824,461</u>
Total U.S. Department of Homeland Security			<u>2,045,209</u>
Total Expenditures of Federal Awards			<u>\$ 501,631,002</u>

(Concluded)

**COUNTY OF ONONDAGA, NEW YORK**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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**1. BASIS OF PRESENTATION**

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

**Non-Monetary Federal Programs**

The County is the recipient of four financial assistance programs that do not result in cash receipts or disbursements, termed "non-monetary programs." During the fiscal year ended December 31, 2010, the County distributed \$6,861,967 of Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) food instruments to eligible persons participating in the WIC Program (CFDA 10.557), \$18,020,407 of energy assistance to eligible persons under the Low-Income Home Energy Assistance program (CFDA 93.568) and \$345,698,962 of medical goods and services were received by eligible persons participating in the Medical Assistance Program (CFDA 93.778), as listed in the accompanying schedule.

**COUNTY OF ONONDAGA, NEW YORK**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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**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. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the schedule of expenditures of federal awards up to such amounts.

**3. INDIRECT COSTS**

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

**4. MATCHING COSTS**

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

**5. SUBRECIPIENTS**

A summary of the federal programs that pass-through federal monies to a subrecipient entity is provided below.

<b>Federal Programs with Subrecipients</b>	<b>CFDA #</b>	<b>Amount</b>
Byrne Justice Assistance Grant	16.738	\$ 73,897
Highway Planning and Construction	20.205	1,271,097
Federal Transit Metropolitan Planning Grants	20.505	282,174
Special Programs for the Aging - Title III, Part D – Disease Prevention and Health Promotion Services	93.043	23,475
Special Programs for the Aging - Title III, Part B – Grants for Supporting Services and Senior Centers	93.044	279,304
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	665,205
Special Programs for the Aging Title IV, and Title II Discretionary Projects	93.048	155,666
National Family Caregiver Support, Title III, Part E	93.052	210,292
Nutrition Service Incentive	93.053	243,113
Low-Income Home Energy Assistance	93.568	108,522
Community Services Block Grant	93.959	1,975,911

(Concluded)

**COUNTY OF ONONDAGA, NEW YORK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Part I - Summary of Auditor's Results**

**Basic Financial Statements**

- Unqualified opinions, based on our audit and the reports of other auditors, were issued on the basic financial statements of the County of Onondaga, New York (the "County") as of and for the year ended December 31, 2010.
- The audit disclosed a material weakness in internal control over financial reporting of the County as of and for the year ended December 31, 2010.
- The audit disclosed no instances of noncompliance which are material to the basic financial statements of the County as of and for the year ended December 31, 2010.

**Single Audit**

- The audit disclosed significant deficiencies and material weaknesses in connection with internal control over compliance with requirements applicable to the major federal programs of the County for the year ended December 31, 2010.
- An unqualified opinion was issued on the County's compliance with its major federal programs for the year ended December 31, 2010.
- There were audit findings which are required to be reported under Section 510(a) of OMB Circular A-133 for the year ended December 31, 2010.
- The dollar threshold to determine Type A programs was \$3,000,000. The major federal programs of the County for the year ended December 31, 2010 were as follows:

**U.S. Department of Agriculture**

- State Administrative Matching Grants for SNAP Program (10.561)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (10.557)

**U.S. Department of Education**

- State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act (84.397)

**U.S. Department of Health and Human Services**

- Medical Assistance Program (93.778)
- Temporary Assistance for Needy Families (TANF) (93.558)
- Low-Income Home Energy Assistance Program (93.568)
- Child Care and Development Fund Cluster (93.575, 93.713)
- Foster Care - Title IV-E (93.658)
- Social Services Block Grant (93.667)
- Adoption Assistance (93.659)

(Continued)

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Part I - Summary of Auditor's Results (cont'd)**

**U.S. Department of Housing and Urban Development**

- Community Development Block Grants / Entitlement Grants (14.218)

**U.S. Department of Transportation**

- Highway Planning and Construction (20.205)

- The County is not considered a low-risk auditee for the year ended December 31, 2010.



**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Part II - Financial Statement Findings**

**Reference Number: 10-1**

**Criteria:**

Timely preparation of complete and accurate bank reconciliations is a key to ensuring that cash receipts and disbursements are properly recorded.

**Condition:**

In some instances bank statements were accumulated for several months before they were reconciled to the appropriate general ledger accounts.

**Cause:**

Errors and misstatements of cash balances were not identified, recognized and resolved on a timely basis.

**Effect:**

Certain cash balances were materially misstated resulting in the necessity of the following audit adjustments:

- An increase to cash and agency liabilities in the amount of \$279,000.
- A decrease to cash and agency liabilities in the amount of \$217,000.

Initial bank reconciliations provided by management included approximately \$419,000 of unreconciled differences.

**Recommendation:**

We recommend the County develop and follow procedures that require all bank accounts be reconciled on a monthly basis as of the date of the bank statement. Differences should be identified, investigated and resolved on a timely basis.

**Response:**

The County had significant personnel turnover in positions which perform bank reconciliations. Personnel have stabilized in this area and we believe we have adequate procedures and resources in place to comply with audit recommendations going forward.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Part III - Findings and Questioned Costs Relating to Federal Awards**

**Reference: 10-2**

**U.S. Department of Health and Human Services**

**Pass-through entities: NYS Department of Family Assistance and NYS Department of Health**

**Low-Income Home Energy Assistance Program (93.568)**

**Social Services Block Grant (93.667)**

**Medical Assistance Program (93.778)**

**Onondaga County Department of Social Services**

**Program Year: 2010**

**Criteria:**

Internal controls should provide reasonable assurance that benefits are provided to only eligible individuals under Federal award programs and that amounts provided to or on behalf of eligible recipients are calculated in accordance with program requirements and supported by proper documentation.

**Condition:**

The County has policies and procedures in place to ensure proper completion and accuracy of documentation as well as evidence of review during the eligibility process. Policies and procedures were not followed in the instances noted below.

- **Low-Income Home Energy Assistance Program** – Ten of the forty cases selected for testing did not contain proper supporting documentation of the eligibility decision. Documentation deficiencies were related to proper income documentation/verification and Welfare Management System inquiries.
- **Low-Income Home Energy Assistance Program** – New York State requires counties to contact recipients of heating equipment repair and replacement to confirm that the service has been provided. Documentation of this communication is to be maintained in the file. During testing, it was noted that four cases did not contain this required documentation.
- **Social Services Block Grant** – Departmental policy requires case files to contain Section III Title XX below 200% eligibility annual review forms signed by the case worker and supervisor. In addition, DSS 2970 Service Authorization forms should be maintained by DSS Accounting. Eight of forty case files did not contain proper supporting documentation.
- **Medical Assistance** – Departmental policy requires case files to contain a SYSAK or DSS 3209 Service Authorization form and a signed DOH Form-4220 application with documentation of review procedures. Three of forty cases tested did not contain proper supporting documentation.

**Questioned Costs:**

None noted.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Reference: 10-2 (Cont'd)**

**Cause:**

County employees did not follow stated procedures in determining eligibility and maintaining supporting documentation.

**Effect:**

Of the cases referenced above, no improper payments were noted.

**Recommendation:**

It is recommended that the County emphasize the importance of following stated policies and procedures to prevent noncompliance with federal program guidelines.

**Response:**

The Onondaga County Department of Social Services (DSS) takes its role of determining who's eligible for our various public benefit programs very seriously. As noted in the audit report, DSS has the proper controls in place to ensure eligibility decisions are made appropriately and that related costs are allowable. However, the proper procedures and policies weren't followed in a few instances which rendered these controls ineffective. Even though these deficiencies didn't result in benefits being issued improperly to ineligible people, we recognize the importance of following established procedures to ensure compliance. Therefore, DSS will reemphasize the requirement of following the procedures and policies in place to ensure compliance with program guidelines. This will be communicated to the staff specifically involved with the noted deficiencies as well as the entire staff of the related area.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Reference: 10-3**

**U.S. Department of Agriculture**

**Pass-through entity: NYS Department of Health**

**Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (10.557)**

**Onondaga County Health Department**

**Program Year: 2010**

**Criteria:**

Internal controls should provide reasonable assurance that only eligible individuals receive assistance under Federal award programs and that amounts provided to or on behalf of eligible recipients are calculated in accordance with program requirements and supported by proper documentation.

**Condition:**

The County has policies and procedures in place to ensure proper completion and accuracy of documentation as well as evidence of review during the eligibility process. The participant and caseworker sign off on applications as an indication that the form is accurate and complete. Twelve of the forty cases selected for testing did not contain proper supporting documentation evidencing review of the Signature Authorization Form with the participant at the time of certification/recertification.

**Questioned Costs:**

None noted.

**Cause:**

County employees did not follow stated procedures in determining eligibility and documenting decisions.

**Effect:**

Of the twelve cases referenced above, no improper payments were noted.

**Recommendation:**

It is recommended that the County emphasize the importance of following stated policies and procedures to prevent noncompliance with federal program guidelines.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Reference: 10-3 (Cont'd)**

**Response:**

In August, 2010 the OCHD WIC Program implemented a chartless system for clinic operations. A program procedure based on NYSDOH WIC Program guidelines was implemented to ensure policy compliance. The chartless system included the development of Signature Authorization binders so that participant charts would not need to be pulled at each appointment. The binders include copies of Signature Authorization forms. As per NYSDOH WIC Program, the original Signature Authorization forms are kept in the participant chart. As per WIC policy, the Signature Authorization forms need to be initialed and dated at each certification appointment. The initialing and dating of the forms takes place on the copy of the original forms, since these are the forms available to staff in clinic (this is NYSDOH WIC Program approved). If there is a change to the Signature Authorization form, a designated staff member is assigned to place the original Signature Authorization form in the participant chart and make a copy of the new Signature Authorization form and place it in the Signature Authorization binder.

During the audit it was found that when a Signature Authorization form was replaced in the binder the old form was being removed and shredded. This is out of WIC policy compliance. A change in the procedure occurred in March 2011 that requires the assigned staff, when replacing Signature Authorization forms in the binder, to make a copy of the new form and place it in the Signature Authorization binder, remove the old form from the binder, stamp "copy" on the old form, attach the old form to the new original form and place in the participant chart. By implementing this process, it can be determined that the Signature Authorization form has been initialed and dated by WIC staff at each certification appointment. This procedure is in compliance with WIC regulations.

An in-service on this procedure was held for all WIC staff on March 22, 2011. Updates will be provided for staff on Signature Authorization forms monthly. A Quality Assurance Monitor will be completed quarterly to ensure compliance.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Reference: 10-4**

**Department of Health and Human Services**

**Pass-through entity: NYS Department of Family Assistance**

**Foster Care – Title IV-E (93.658)**

**Onondaga County Department of Social Services**

**Program Year: 2010**

**Criteria:**

Funds may be expended for Foster Care maintenance payments on behalf of eligible children, in accordance with the IV-E agency's Foster Care maintenance payment rate schedule and in accordance with 45 CFR section 1356. 21, to individuals serving as foster family homes, to child-care institutions, or to public or private child-placement or child-care agencies. Such payments may include the cost of (and the cost of providing, including certain associated administrative and operating costs of an institution) food, clothing, shelter, daily supervision, school supplies, personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation, as well as reasonable travel for the child to remain in the same school he or she was attending prior to placement in foster care (42 USC 672(b)(1) and (2), (c)(2), and 675(4)).

**Condition:**

The County has policies and procedures in place to ensure proper completion and accuracy of documentation as well as evidence of review during the eligibility process. One of the forty cases selected for testing was not Title IV-E eligible, as the recipient did not meet the requirement of parental deprivation.

**Questioned Costs:**

\$83,475

**Cause:**

County employees did not follow stated procedures in determining eligibility.

**Effect:**

The County improperly claimed Title IV-E reimbursement for the above referenced case.

**Recommendation:**

It is recommended that the County emphasize the importance of following stated policies and procedures to prevent noncompliance with federal program guidelines.

(Continued)

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Reference: 10-4 (Cont'd)**

**Response:**

The Onondaga County Department of Social Services (DSS) takes its role of determining that only eligible individuals receive assistance under our various programs very seriously. As noted in the audit report, DSS has the proper controls in place to ensure eligibility decisions are made appropriately. In this particular case, DSS staff incorrectly determined the case to be Title IV-E eligible which resulted in payments that were ineligible for Title IV-E funding. DSS will reemphasize the requirement of following the procedures and policies in place to ensure compliance with program guidelines. We will also take the necessary action to ensure any Title IV-E funds received inappropriately will be returned.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Reference: 10-5**

**U.S. Department of Housing and Urban Development (HUD)**

**Community Development Block Grant (14.218)**

**Onondaga County Department of Community Development**

**Program Year: 2010**

**Criteria:**

A HUD-assisted entity should have internal controls in place to provide reasonable assurance that it is managing HUD programs in compliance with applicable laws and regulations.

**Condition/Cause:**

The County does have policies and procedures in place to ensure proper completion and accuracy of documentation as well as evidence of supervisory review. We noted the following instances of control deficiencies related to these policies and procedures during testing:

- Eleven home rehabilitation case files either lacked proper supporting documentation of applicants' income or failed to follow prescribed guidelines with respect to applicants' income in making award determinations.
- Five home rehabilitation cases exceeded departmental program funding limits without supervisory approval.
- Two home rehabilitation cases had improper lien amounts.
- One home rehabilitation case lacked documentation of competitive bids as required by departmental policy.
- One home rehabilitation case lacked supervisory approval of the case closeout form.
- Seven commercial rehabilitation cases lacked evidence of supervisory review. Commercial rehabilitation cases are currently handled by a single individual who reviews and approves applications, bid solicitations and cost estimates.
- Eight commercial rehabilitation case files did not contain documentation that property tax payments were current.
- Seven commercial rehabilitation cases exceeded departmental program funding limits without supervisory approval.

**Questioned Costs:**

None noted.

**Effect:**

Without proper internal controls including supervisory review and adequate supporting documentation, federal funds could be improperly expended.



**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Reference: 10-5 (Cont'd)**

**Recommendation:**

It is recommended that the County emphasize the importance of following stated policies and procedures to prevent noncompliance with federal program guidelines. In addition, the County should design a supervisory review process to ensure all federal regulations and departmental policies have been adhered to prior to disbursing federal funds and case files contain adequate supporting documentation.

**Response:**

**Housing Rehabilitation**

- 1) In the past, small amounts of income that did not alter a candidate's eligibility were not always recorded on the CD application. From now on, any and all interest, dividends, or other income listed in the applicant's documents, regardless how small, will be recorded and itemized on the Community Development application. Housing Rehabilitation Specialists, (responsible for processing applications), have been instructed to increase their vigilance when it comes to recording eligibility information. Anyone opening a file should know immediately what information was or was not used to determine eligibility. Any income not included needs to be explained. For example, if an amount on an income tax form is a "one-time" only benefit, (and therefore not counted as income); this needs to be clearly noted on the paperwork. From this point forward, all income listed on applications will be in gross amounts. Social Security recipients will no longer be allowed to provide bank statements showing monthly deposits as proof of income. Outreach letters have been edited to reflect this change. The phone number and web address of the SSA has been added to the outreach letters.
- 2) HUD policy is that each jurisdiction designs their local programs. This allows departments to address the needs of their own community, and the power to adjust programs as conditions change. Community Development programs have always been flexible. Grant limits exist as a guideline for our clients. Additionally, the Housing Rehabilitation Supervisor has the authority to award jobs that exceed program limits. This is clearly stated in the department's manual.

There are many factors that may require Community Development to exceed grant limits:

- Unforeseen problems/conditions may be found during the course of construction.
  - Changes in contractor availability and pricing of materials can vary greatly within a single construction season. For example, a quote received to re-roof a house in April may be one or two thousand dollars less than the price received to install a new roof on the same structure in October.
  - Many older homes in Onondaga County are filled with lead paint and federal regulations require our staff to address all hazardous lead conditions.
  - Houses that are in a severely deteriorated condition
  - Emergency situations and conditions
- 3) Incorrect lien amounts have been corrected.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**Reference: 10-5 (Cont'd)**

- 4) If an emergency or an unsafe condition exists, Community Development may expedite the usual bidding process and solicit prices from several contractors. Our staff contacts several contractors, provides them with a set of job specifications and requests that they submit a bid within 3-5 days. Bidders must agree to begin construction within a specified time period. In this particular situation, bids were solicited because the applicant is wheelchair bound and had no means of entering or leaving her home. Not only is this dangerous, but the applicant needs to see her doctors frequently for treatment.
- 5) Case closeout form has been signed.

**Commercial Rehab**

- 6) Supervisory Review: OCCD has a relatively small staff with only one person, an Architect, running the Commercial Rehab Program. This position combines several functions: estimating, design, drafting, and inspection along with handling most of the paperwork related to each commercial job. The bidding and the issuing of contracts is handled by one of the two Housing Rehab Specialists in the Housing Rehab unit. The Architect is supervised by the Director. The Director (formerly the Administrator, or Acting Administrator in 2010), approves and signs all payment requests. Any unusual issues are reviewed with the Director. In addition, each case has a Close Out Form summarizing the case in the case file.
- 7) Property Taxes: Each case file now includes a case file checklist noting the property taxes are paid before it becomes an active case and then again before construction begins.
- 8) Funding Limits: The specified funding limits were intended as a general guideline for applicants, not as a fixed maximum. With older buildings of different age and size, each project needed to be handled individually. As a result, our program guidelines have been changed to allow for an equal match between CD and the building owner, without a specified maximum. Even before this change, if a building required more funding than the general guideline, the Architect reviewed the amount with the Director before continuing with the job.

**COUNTY OF ONONDAGA, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**Part III - Status of Prior Year Federal Award Findings and Questioned Costs**

**Reference: 09-1**

**Status:** See current year finding 10-2.

**Reference: 09-2**

**Status:** See current year finding 10-3.

**Reference: 09-3**

**Status:** See current year finding 10-4.

**ONONDAGA COUNTY  
SINGLE AUDIT Y/E 12/31/10  
CORRECTIVE ACTION PLAN**

**Reference: Finding 10-2 Medicaid/HEAP/Social Services Block Grant**  
Corrective Action Plan:

<u>DATE</u>	<u>ACTION</u>	<u>STATUS</u>
1. 7/1/11	The employee(s) involved have been made aware of the findings presented. We will reemphasize the requirement of following the procedures and policies in place to ensure compliance with program guidelines. This will be communicated to the staff specifically involved with the noted deficiencies as well as the entire staff of the related area. We will also continue to review, update, and discuss eligibility policies and procedures at staff meetings and trainings.	Ongoing
2. 9/1/11	Review of action taken.	Completed
3. 12/1/11	Review of action taken.	Pending
4. 1/3/12	Review the time period 7/1/11 – 12/31/11	Pending
Contact	Steven Morgan 315-435-2985	

**ONONDAGA COUNTY  
SINGLE AUDIT Y/E 12/31/10  
CORRECTIVE ACTION PLAN**

**Reference: 10-3**

Corrective Action Plan:

<u>DATE</u>	<u>ACTION</u>	<u>STATUS</u>
1. 3/22/11	<p>A procedural change was made in March, 2011 that requires the assigned staff, when replacing Signature Authorization forms in the binder, to make a copy of the new form and place it in the Signature Authorization binder, remove the old form from the binder, stamp "copy" on the old form, attach the old form to the new original form and place in the participant chart. By implementing this process, it can be determined that the Signature Authorization form has been initialed and dated by WIC staff at each certification appointment. This procedure is in compliance with WIC regulations.</p> <p>An in-service on this procedure was held for all WIC staff on March 22, 2011. Updates will be provided for staff on Signature Authorization forms monthly. A Quality Assurance Monitor will be completed quarterly to ensure compliance.</p>	Ongoing
2.		
3.		
4.		
Contact	Ellen Wilson 315-435-3661	

**ONONDAGA COUNTY  
SINGLE AUDIT Y/E 12/31/10  
CORRECTIVE ACTION PLAN**

**Reference: Finding 10-4 Foster Care – IV-E**

Corrective Action Plan:

<b><u>DATE</u></b>	<b><u>ACTION</u></b>	<b><u>STATUS</u></b>
1. 7/1/11	The employee(s) involved have been made aware of the finding presented and corrective action has been taken to discontinue IV-E eligibility and claiming. We will also take the necessary action to ensure any Title IV-E funds received inappropriately will be returned. We will reemphasize the requirement of following the procedures and policies in place to ensure compliance with program guidelines. This will be communicated to the staff specifically involved with the noted deficiencies as well as the entire staff of the related area. Additionally, we will continue to review, update, and discuss eligibility policies and procedures at staff meetings and trainings.	Ongoing
2. 9/1/11	Review of action taken.	Completed
3. 12/1/11	Review of action taken.	Pending
4. 1/3/12	Review the time period 7/1/11 – 12/31/11	Pending
Contact	Steven Morgan 315-435-2985	

**ONONDAGA COUNTY  
SINGLE AUDIT Y/E 12/31/10  
CORRECTIVE ACTION PLAN**

**Reference: Finding 10-5 Community Development Block Grant**  
Corrective Action Plan:

<b><u>DATE</u></b>	<b><u>ACTION</u></b>	<b><u>STATUS</u></b>
1. 7/1/11	The employee(s) involved have been made aware of the findings presented. The supervisory review on both residential and commercial programs will be enhanced to verify compliance with program guidelines. Funding limit guidelines for the residential program will be adhered to and due to increasing costs the commercial program limits will be eliminated to allow for more flexibility. Also, all staff will review proper bidding requirements to ensure they are followed at all times. We will also continue to review, update, and discuss policies and procedures at staff meetings and trainings.	Ongoing
2. 9/1/11	Review of action taken.	Completed
3. 12/1/11	Review of action taken.	Pending
4. 1/3/12	Review the time period 7/1/11 – 12/31/11	Pending
Contact	Robert DeMore 315-435-3558	