

**COUNTY OF STEUBEN, NEW YORK**

**Single Audit Reports  
for the Year Ended  
December 31, 2011**

**Bonadio & Co., LLP**  
Certified Public Accountants

**COUNTY OF STEUBEN, NEW YORK**

**SINGLE AUDIT REPORTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**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**

July 27, 2012

To the Board of Legislators of the  
County of Steuben, New York:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Steuben, New York (the County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 27, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Steuben 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**

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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**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***

(Continued)

**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*.

This report is intended solely for the information and use of management, the Board of Legislators, others within the entity, 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.

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

July 27, 2012

To the Board of Legislators of the  
County of Steuben, New York:

**Compliance**

We have audited the County of Steuben, New York's (the County's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

**Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

(Continued)

**Internal Control Over Compliance (Continued)**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

**Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2011, and have issued our report thereon dated July 27, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's financial statements. 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Board of Legislators, others within the entity, 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.

**COUNTY OF STEUBEN, NEW YORK**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:			
Passed through NYS Department of Social Services - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ <u>1,776,957</u>
Total U.S. Department of Agriculture			<u>1,776,957</u>
U.S. Department of Housing and Urban Development:			
Passed through the Governor's Office for Small Cities - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	111HR4-09	335,816
Shelter Plus Care	14.238	N/A	351,888
Passed through NYS Department of Social Services - ARRA-Homelessness Prevention and Rapid Re-Housing Program	14.257	C020905	<u>149,063</u>
Total U.S. Department of Housing and Urban Development			<u>836,767</u>
U.S. Department of Justice:			
Passed through NYS Division of Criminal Justice Services - Violence Against Women Formula Grants	16.588	N/A	8,755
Bulletproof Vest Partnership Program	16.607	N/A	<u>3,222</u>
Total U.S. Department of Justice			<u>11,977</u>
U.S. Department of Transportation:			
Passed through the NYS Department of Transportation - Highway Planning and Construction	20.205	D032494	214,376
Formula Grants for Other Than Urbanized Areas	20.509	6799.56.404	285,532
Passed through the NYS Department of Motor Vehicles - State and Community Highway Safety	20.600	C001946	<u>23,935</u>
Total U.S. Department of Transportation			<u>523,843</u>
U.S. Department of Education:			
Passed through the NYS Department of Health - Special Education - Grants for Infants and Families	84.181	N/A	<u>64,762</u>
Passed through the NYS Department of Education - Early Intervention Services (IDEA) Cluster: ARRA-Special Education-Preschool Grants, Recovery Act	84.393	N/A	<u>10,823</u>
Total U.S. Department of Education			<u>75,585</u>

(Continued)

**COUNTY OF STEUBEN, NEW YORK**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(Continued)**

Federal Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
ARRA-Immunization	93.712	T025305	<u>3,959</u>
Passed through NYS Office of the Aging -			
Special Programs for the Aging - Title IIID -			
Disease Prevention and Health Promotion Services	93.043	N/A	4,870
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	N/A	19,741
National Family Caregiver Support - Title III-E	93.052	N/A	21,336
Special Programs for the Aging - Title VII - Chapter 2 -			
Long Term Care Ombudsman Services for Older Individuals	93.042	N/A	<u>14,909</u>
			<u>60,856</u>
<b>Special Programs of the Aging Cluster -</b>			
<b>Special Programs for the Aging - Title IIIB - Grants for     Supportive Services and Senior Centers</b>	<b>93.044</b>	<b>N/A</b>	<b>218,435</b>
<b>Special Programs for the Aging - Title IIIC- Nutrition Services</b>	<b>93.045</b>	<b>N/A</b>	<b>519,092</b>
<b>Nutrition Services Incentive Program</b>	<b>93.053</b>	<b>N/A</b>	<u><b>110,340</b></u>
			<u>847,867</u>
Total NYS Office of the Aging			<u>908,723</u>
Passed through NYS Department of Health -			
Immunization Grants	93.268	C023272	<u>49,882</u>
			<u>49,882</u>
Maternal and Child Health Services Block Grant to the States	93.994	C020632	12,557
Maternal and Child Health Services Block Grant to the States	93.994	N/A	17,039
Public Health Emergency Preparedness	93.069	1614-07	<u>82,223</u>
			<u>111,819</u>
Total NYS Department of Health			<u>161,701</u>
Passed through NYS Department of Social Services -			
Temporary Assistance for Needy Families	93.558	N/A	<u>5,063,652</u>
<b>Child Support Enforcement</b>	<b>93.563</b>	<b>N/A</b>	<b>1,437,196</b>
<b>ARRA-Child Support Enforcement</b>	<b>93.563</b>	<b>N/A</b>	<u><b>31,412</b></u>
<b>Subtotal-Child Support Enforcement</b>			<u><b>1,468,608</b></u>
<b>Foster Care - Title IV-E</b>	<b>93.658</b>	<b>N/A</b>	<b>1,822,682</b>
<b>ARRA-Foster Care - Title IV-E</b>	<b>93.658</b>	<b>N/A</b>	<u><b>91,442</b></u>
<b>Subtotal-Foster Care - Title IV-E</b>			<u><b>1,914,124</b></u>
Adoption Assistance	93.659	N/A	432,722
ARRA-Adoption Assistance	93.659	N/A	<u>36,829</u>
<b>Subtotal-Adoption Assistance</b>			<u>469,551</u>
<b>Medical Assistance Program</b>	<b>93.778</b>	<b>N/A</b>	<b>1,693,880</b>
<b>ARRA-Medical Assistance Program</b>	<b>93.778</b>	<b>N/A</b>	<u><b>1,927,864</b></u>
<b>Subtotal-Medical Assistance Program</b>			<u><b>3,621,744</b></u>
<b>Child Care and Development Block Grant</b>	<b>93.575</b>	<b>N/A</b>	<b>2,823,859</b>
<b>ARRA-Child Care and Development Block Grant</b>	<b>93.575</b>	<b>N/A</b>	<u><b>195,054</b></u>
<b>Subtotal-Child Care Development Block Grant</b>			<u><b>3,018,913</b></u>
Low-Income Home Energy Assistance	93.568	N/A	5,816,094
Child Welfare Services - State Grants	93.645	N/A	140,803
<b>Social Services Block Grant</b>	<b>93.667</b>	<b>N/A</b>	<b>1,059,688</b>
Chafee Foster Care Independence Program	93.674	N/A	<u>33,187</u>
Total NYS Department of Social Services			<u>22,606,364</u>
Passed through NYS Department of Mental Health -			
<b>Medical Assistance Program</b>	<b>93.778</b>	<b>N/A</b>	<u><b>342,055</b></u>
Total NYS Department of Mental Health			<u>342,055</u>
Passed through NYS Department of Alcohol and			
Substance Abuse Services -			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	<u>397,431</u>
Total NYS Department of Alcohol and Substance Abuse Services			<u>397,431</u>
Total U.S. Department of Health and Human Services			<u>24,420,233</u>

**COUNTY OF STEUBEN, NEW YORK**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Corporation for National and Community Services -			
Retired and Senior Volunteer Program	94.002	10SRANY013	<u>65,268</u>
Total Corporation for National and Community Services			<u>65,268</u>
U.S. Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	<u>24,469</u>
Passed Through NYS Division of Criminal Justice Services -			
Homeland Security Grant Program	97.067	T836194	28,955
Homeland Security Grant Program	97.067	C836170	666
Homeland Security Grant Program	97.067	C836190	<u>45,446</u>
<i>Subtotal - Homeland Security Grant Program</i>			<u>75,067</u>
Passed Through NYS Emergency Management Office -			
Citizen Corps	97.053	N/A	<u>3,817</u>
Total U. S. Department of Homeland Security			<u>103,353</u>
Total Expenditures of Federal Awards			<u>\$ 27,813,983</u>

**Note: Bold items denote major programs.**

# COUNTY OF STEUBEN, NEW YORK

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2011

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### 1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance programs administered by the County of Steuben, New York (the County), an entity as defined in the basic financial statements, except that it does not include the federal financial assistance programs, if any, of the Steuben County Health Care Facility, Steuben County Industrial Development Agency, Steuben Tobacco Asset Securitization Corporation, and the Steuben County Soil and Water Conservation District.

### 2. BASIS OF ACCOUNTING

The schedule of expenditures of federal awards is presented in conformity with accounting principles generally accepted in the United States 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. 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 the 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, as available.

### 4. NONMONETARY FEDERAL PROGRAMS

The County is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements to the County, termed "nonmonetary programs."

New York State pays benefits directly to vendors, primarily utility companies, on behalf of eligible persons participating in the Low-Income Home Energy Assistance Program (CFDA Number 93.568). Included in the amount presented on the schedule of expenditures of federal awards is \$5,358,877 in direct payments to vendors.

### 5. 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.

**6. 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.

**7. SUBRECIPIENTS**

The following programs provided federal awards to subrecipients during the year ended December 31, 2011:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant - Small Cities Program	14.228	\$ 330,939
Shelter Plus Care	14.238	351,888
Formula Grants for Other Than Urbanized Areas	20.509	67,500
Special Programs for the Aging - Title IIID - Disease Prevention and Health Promotion Services	93.043	4,870
Special Programs for the Aging - Title IIIC - Nutrition Services	93.045	402,704
Caregiver Family Support Grant III-E	93.052	21,336
Nutrition Services Incentive Program	93.053	109,627
Block Grants for Prevention and Treatment of Substance Abuse	93.959	<u>397,431</u>
		<u>\$ 1,686,295</u>

## COUNTY OF STEUBEN, NEW YORK

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

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#### A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the County of Steuben, New York (the County).
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported in the 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*.
3. No instances of noncompliance material to the basic financial statements of the County were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the County's major federal award programs expresses an unqualified opinion.
6. There were no audit findings relative to major federal award programs for the County.
7. The programs tested as major programs were:
  - CFDA No. 93.563 Child Support Enforcement
  - CFDA No. 93.563 ARRA-Child Support Enforcement
  
  - CFDA No. 93.575 Child Care and Development Block Grant
  - CFDA No. 93.575 ARRA-Child Care and Development Block Grant
  
  - CFDA No. 93.667 Social Services Block Grant
  
  - CFDA No. 93.658 Foster Care - Title IV-E
  - CFDA No. 93.658 ARRA-Foster Care - Title IV-E
  
  - CFDA No. 93.778 Medical Assistance Program
  - CFDA No. 93.778 ARRA-Medical Assistance Program

#### Clusters (as defined by OMB Circular No. A-133 Compliance Supplement)

##### NYS Office of the Aging Cluster

- CFDA No. 93.044 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers
- CFDA No. 93.045 Special Programs for the Aging - Title III, Part C - Nutrition Services
- CFDA No. 93.053 Nutrition Services Incentive Program

**A. SUMMARY OF AUDITORS' RESULTS (Continued)**

8. The threshold for distinguishing Types A and B programs was \$834,419.

9. The County was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.