

WESTCHESTER COUNTY, NEW YORK
OMB CIRCULAR A-133 FINANCIAL REPORT
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
December 31, 2011

Westchester County, New York

OMB CIRCULAR A-133 FINANCIAL REPORT
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December 31, 2011

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WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>NON ARRA</u>	<u>ARRA</u>	<u>Federal Program Expenditures</u>
<u>Department of Agriculture</u>				
Direct Program				
Soil and Water Conservation	10.902	\$ 266,000	\$	<u>\$ 266,000</u>
Indirect Programs Pass-Through NYS Department of Health				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	1,970,497		1,970,497
Child and Adult Care Food Program	10.558	13,415		<u>13,415</u>
				<u>1,983,912</u>
Indirect Programs Pass-Through NYS Office of Temporary Disability				
<i>Snap Cluster (lone program):</i>				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	10.561	9,609,580		<u>9,609,580</u>
Total Department of Agriculture				<u>11,859,492</u>
<u>Department of Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement	14.218	9,470,129		9,470,129
ARRA - Community Development Block Grant Entitlement Grants	14.253		100,821	<u>100,821</u>
Subtotal CDBG Entitlement Grants Cluster				9,570,950
Emergency Shelter Grants Program	14.231	295,809		295,809
Supportive Housing Program	14.235	1,095,274		1,095,274
Shelter Plus Care	14.238	4,893,002		4,893,002
HOME Investment Partnerships Program	14.239	1,767,556		1,767,556
ARRA - Homelessness Prevention and rapid Re-Housing Program	14.257		1,344,991	<u>1,344,991</u>
Fair Housing Assistance Program State and Local	14.401	77,894		77,894
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	5,098		5,098
Lead Hazard Reduction Demonstration Grant Program	14.905	804,880		<u>804,880</u>
Total Direct Programs				<u>19,855,454</u>
Indirect Program Pass-Through New York State				
Division of Housing and Community Renewal				
Community Development Block Grant Entitlement/State's Program	14.228	156,771		156,771
Indirect Programs Passed through New York City Department of Health and Mental Hygiene				
Housing Opportunities for Persons with AIDS	14.241	1,828,582		<u>1,828,582</u>
Total Indirect Programs				<u>1,985,353</u>
Total Department of Housing and Urban Development				<u>21,840,807</u>
<u>Department of Justice</u>				
Direct Programs:				
Equitable Sharing	16.922	1,842,075		1,842,075
Law Enforcement Assistance Narcotics and Dangerous Drug-Training	16.004	189,706		189,706
Law Enforcement Assistance -FBI Advanced Police Training	16.300	38,107		38,107
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	16.203	188,464		188,464

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>NON ARRA</u>	<u>ARRA</u>	<u>Federal Program Expenditures</u>
<u>Department of Justice (Continued)</u>				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	446,934		\$ 446,934
Bulletproof Vest Partnership Program	16.607	15,136		15,136
Forensic DNA Backlog Reduction Program	16.741	349,290		349,290
Paul Coverdell - Forensic Science Improvement Grant Program	16.742	133,923		133,923
Public Safety Partnership and Community Policing Grants	16.710	190,494		190,494
Total Direct Programs				<u>3,394,129</u>
Indirect Programs Pass-Through New York State Department of Criminal Justice Services				
<i>JAG Program Cluster:</i>				
Edward Byrne Memorial Justice Assistance Grant	16.738	29,879		29,879
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.803		175,488	175,488
Subtotal JAG Program Cluster				205,367
Juvenile Accountability Incentive Block Grants	16.523	71,171		71,171
National Forensic Sciences Improvement Act	16.560	72,841		72,841
Crime Victims Assistance	16.575	202,747		202,747
ARRA - Violence Against Women - Family Offense Prosecution Program	16.588		59,939	59,939
Violence Against Women - Family Offense Prosecution Program	16.588	300,324		300,324
State Criminal Alien Assistance Program	16.606	958,297		958,297
Paul Coverdell - Forensic Sciences Improvement Grant Program	16.742	102,394		102,394
ARRA - Internal Crimes Against Children Task Force Program	16.800		17,926	17,926
Total Indirect Programs				<u>1,991,006</u>
Total Department of Justice				<u>5,385,135</u>
<u>Department of Labor</u>				
Indirect Programs Pass-Through NYS Department of Labor				
Trade Adjustment Assistance	17.245	45,537		45,537
<i>WIA Cluster:</i>				
WIA Adult Program	17.258	2,764,927		2,764,927
ARRA - WIA Adult Program	17.258		39,336	39,336
WIA Youth Activities	17.259	835,799		835,799
ARRA - WIA Youth Activities	17.259		2,106	2,106
WIA Dislocated Workers Note (2)	17.278	1,210,637		1,210,637
ARRA -WIA Dislocated Workers Note (2)	17.278		100,559	100,559
WIA National Emergency Grant Note (2)	17.277	7,898		7,898
Subtotal WIA Cluster				<u>4,961,262</u>
Total Department of Labor				<u>5,006,799</u>
<u>Department of Transportation</u>				
Direct Programs:				
Airport Improvement Program	20.106	2,128,796		2,128,796
Public Transportation Research	20.514	340,390		340,390
				<u>2,469,186</u>
<i>Federal Transit - Cluster</i>				
Federal Transit-Capital Investment Grants	20.500	54,351		54,351
Federal Transit- Formula Grants	20.507	18,161,305		18,161,305

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>NON ARRA</u>	<u>ARRA</u>	<u>Federal Program Expenditures</u>
<u>Department of Transportation</u> (Continued)				
ARRA - Federal Transit- Formula Grants	20.507		927,059	\$ 927,059
Subtotal Federal Transit - Cluster				19,142,715
<i>Transit Service - Cluster (lone program)</i>				
Job Access Reverse Commute	20.516	1,574,748		1,574,748
Total Direct Programs				23,186,649
Indirect Programs Pass-Through New York State Department of Transportation:				
<i>Highway Planning and Construction - Cluster (lone program)</i>				
Highway Planning and Construction	20.205	3,429,730		3,429,730
State and Community Highway Safety	20.600	325,641		325,641
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	4,586		4,586
Total Indirect Programs				3,759,957
Total Department of Transportation				26,946,606
<u>Environmental Protection Agency</u>				
Direct Programs:				
Beach Monitoring and Notification Program Implementation Grants	66.472	25,638		25,638
Indirect Programs Pass-Through New York State Environmental Facilities Corp:				
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458		13,436,374	13,436,374
Total Department of Environmental Protection Agency				13,462,012
<u>Department of Energy</u>				
Direct Programs:				
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128		3,348,759	3,348,759
Indirect Program Pass-Through New York State Division of Housing and Community Renewal				
ARRA - Weatherization Assistance for Low-Income Persons	81.042		1,044,811	1,044,811
Total Department of Energy				4,393,570
<u>Department of Education</u>				
Direct Programs:				
<i>Student Financial Aid - Cluster</i>				
Federal Supplemental Education Opportunity Grants (FSEOG)	84.007	228,895		228,895
Federal Family Education Loans (FFEL)	84.032	8,047,280		8,047,280
Federal Work Study Program (FWS)	84.033	212,660		212,660
Federal PELL Grant Program (PELL)	84.063	17,311,945		17,311,945
Academic Competitiveness Grants (ACG)	84.375	41,771		41,771
Total Direct Programs - SFA Cluster				25,842,551
Indirect Programs Pass-Through New York State Department of Education				
<i>Early Intervention Services (IDEA) - Cluster</i>				
Special Education- Grant for Infants and Families	84.181	432,308		432,308
ARRA - Special Education - Grants for Infants and Families	84.393		220,434	220,434
Subtotal IDEA - Cluster				652,742
Trio-Student Support Services (TRIO)	84.042	246,333		246,333
Career and Technical Education Basic Grants to States	84.048	339,568		339,568
Indirect Programs Pass-Through The State University of New York (SUNY)				

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>NON ARRA</u>	<u>ARRA</u>	<u>Federal Program Expenditures</u>
<u>Department of Education (Continued)</u>				
<i>Early Intervention Services (IDEA) - Cluster (lone program)</i>				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394		5,958,555	\$ 5,958,555
Total Indirect Programs				7,197,198
Total Department of Education				33,039,749
<u>Department of Health and Human Services</u>				
Direct Program:				
Food and Drug Administration Research	93.103	12,579		12,579
Indirect Programs - Passed through New York State Department of Aging				
<i>Aging - Cluster</i>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	981,049		981,049
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	1,116,324		1,116,324
Nutrition Services Incentive Program	93.053	347,661		347,661
Subtotal Aging - Cluster				2,445,034
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	48,295		48,295
Special Program for the Aging - Title III, Part D	93.043	99,094		99,094
National Family Caregiver Support - Title III, Part E	93.052	362,714		362,714
Medicare Enrollment Assistance Program	93.071	48,363		48,363
Total Administration on Aging				3,003,500
<i>Administration for Children and Families</i>				
Direct Program:				
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.087	668,866		668,866
<i>TANF - Cluster</i>				
Indirect Programs Pass-Through NYS Department of Social Services				
Temporary Assistance for Needy Families (TANF)	93.558	74,193,920		74,193,920
ARRA-Emergency Contingency Fund for TANF	93.714		208,376	208,376
Subtotal TANF - Cluster				74,402,296
<i>CCDF - Cluster</i>				
Child Care and Development Block Grant	93.575	21,388,625		21,388,625
ARRA-Child Care and Development Block Grant	93.713		1,688,006	1,688,006
Subtotal CCDF - Cluster				23,076,631
Child Support Enforcement	93.563	8,054,300		8,054,300
Low-Income Home Energy Assistance	93.568	1,831,757		1,831,757
ARRA - Foster Care Title IV-E	93.658		479,388	479,388
Foster Care Title IV-E	93.658	17,475,147		17,475,147
Adoption Assistance	93.659	3,618,130		3,618,130
ARRA - Adoption Assistance	93.659		227,881	227,881
Social Services Block Grant - Title XX	93.667	7,883,372		7,883,372
Total Administration for Children and Families				39,569,975
				137,717,768

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>NON ARRA</u>	<u>ARRA</u>	<u>Federal Program Expenditures</u>
<i>Department of Health and Human Services (Continued)</i>				
<i>Centers for Medicare and Medicaid Services</i>				
Indirect Programs Pass-Through NYS Department of Social Services				
Children's Health Insurance Program	93.767	91,005		\$ 91,005
ARRA-Medical Assistance Program	93.778		18,102,769	18,102,769
Medical Assistance Program	93.778	18,108,272		18,108,272
Centers for Medicare and Medicaid Services Research Demonstration and Evaluations	93.779	77,175		77,175
Total Centers for Medicare and Medicaid Services				36,379,221
<i>Centers for Disease Control</i>				
Indirect Programs Pass-Through NYS Health Department				
<i>Immunization - Cluster</i>				
Immunization Grants	93.268	150,625		150,625
ARRA - Immunization	93.712		22,312	22,312
Subtotal Immunization - Cluster				172,937
Center for Disease and Prevention Investigations and Technical Assistance	93.283	41,029		41,029
Public Health Emergency Preparedness	93.069	708,457		708,457
Establishment of Affordable Care Act Exchange	93.525	10,526		10,526
Preventive Health Service - Sexually Transmitted Disease Control	93.977	192,987		192,987
Total Centers for Disease Control				1,125,936
<i>Health Resources and Services Administration</i>				
Direct Program:				
Maternal and Child Health Federal Consolidated Programs	93.994	217,998		217,998
Indirect Programs Pass-Through the City of New York Department of Mental Hygiene				
HIV Emergency Relief Formula Grants	93.914	5,529,316		5,529,316
Indirect Programs - Pass-Through Virginia Community College				
ARRA -Health Information Technology	93.721		204,360	204,360
Total Health Resources and Service Administration				5,951,674
<i>Substance Abuse and Mental Health Services Administration</i>				
Direct Programs:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	50,000		50,000
Drug Free Communities Support Grants	93.276	99,994		99,994
Total Substance Abuse and Mental Health Services Administration				149,994
Total Department of Health and Human Services				184,340,672

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2011

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>NON ARRA</u>	<u>ARRA</u>	<u>Federal Program Expenditures</u>
<u>Social Security Administration</u>				
Direct Program:				
Supplemental Security Income	96.006	72,400		\$ 72,400
<u>Department of Homeland Security</u>				
Indirect Programs Pass-Through New York State Office of Homeland Security and Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	901,486		901,486
Emergency Management Performance Grant	97.042	194,988		194,988
Interoperable Emergency Communications	97.055	466,494		466,494
Port Security Grant Program	97.056	16,875		16,875
Homeland Security Grant Program	97.067	4,527,774		4,527,774
State Homeland Security Program (SHSP)	97.073	73,857		73,857
Transit Security Grant Program	97.075	83,698		83,698
Buffer Zone Protection Program (B)	97.078	109,610		109,610
Securing the Cities	97.106	137,113		137,113
Total Department of Homeland Security				6,511,895
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 265,148,887	\$ 47,710,250	\$ 312,859,137

Note (1) - Catalogue of Federal Domestic Assistance

Westchester County, New York

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2011

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Westchester County under programs of the federal government for the year ended December 31, 2011. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Westchester County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Westchester County.

Note 2. Summary of Significant Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units). The basis used to determine noncash awards expended: such as food stamps, food commodities and donated property, is the fair market value at the time of the receipt, or the assessed value provided by the Federal or pass-through agencies.

Note 3. Westchester Community College - Federal Student Loan Programs

Westchester Community College is collecting outstanding loans on the following program:

		<u>August 31, 2011</u>	
	<u>CFDA#</u>	<u>Loans Extended</u>	<u>Outstanding Principal Balance</u>
Perkins Loan Program- NDSL	84.038	None	\$ 227,962

The College no longer participates in this program but is collecting outstanding balances on the loans.

Westchester County, New York

Notes to Schedule of Expenditures of Federal Awards (Continued)

Year Ended Year Ended December 31, 2011

Note 4. Financing Available under the American Recovery and Reinvestment Act (ARRA) for CFDA 66.458 Capitalization Grants For Clean Water State Revolving Funds (CWSRF)

Financial assistance was made available to Westchester County, New York under the American Recovery and Reinvestment Act of 2009 for the Green Project Reserve. This financial assistance is passed through the New York State Environmental Facilities Corporation (NYSEFC) to the County. A Green Project is a project or project component to address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. The County has been advanced \$45,876,873 of the available \$55,000,000 in loans and has drawn down a total of \$22,689,846 as of December 31, 2011. Of the \$55,000,000 NYSEFC has earmarked \$24,402,492 as ARRA funding and \$30,597,508 as Non ARRA CWSRF.

The County is utilizing the short-term financing for the costs associated with the Green Project and the design of the Biological Nutrient Removal (BNR) upgrades at the Mamaroneck Wastewater Treatment Plant (WWTP). Costs incurred for the year ending December 31, 2011 amounted to \$13,436,374 and are reported on the Schedule of Expenditures of Federal Awards (SEFA)

The short-term financing is evidenced by recipient notes with the following future principal payments as of December 31, 2011:

<u>SRF Project Code</u>	<u>Note No.</u>	<u>Principal</u>	<u>Annual Principal Payment Due</u>	<u>Maturity Date</u>
C3-7396-02-00	RST-1	\$55,000,000	August 1, 2012	August 27, 2012

**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**

To the Honorable Board of Legislators of the
County of Westchester, New York:

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 Westchester County, 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 16, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Westchester County Health Care Corporation, as described in our report on the Westchester County's financial statements. The financial statements of Westchester County Health Care Corporation were not audited in accordance with *Government Auditing Standards*.

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 the 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 the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated July 16, 2012.

This report is intended solely for the information and use of the Board of Legislators, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



O'Connor Davies, LLP
Harrison, New York
July 16, 2012

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

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Legislators of the
Westchester County, New York

Compliance

We have audited Westchester County, New York's (the "County") 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 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 County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination 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 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 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 a 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Westchester County, New York 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 16, 2012 which contained unqualified opinions 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 basic financial statements. We did not audit the financial statements of the Westchester County Health Care Corporation (a component unit) for the year ended December 31, 2011, which represents 90.9% and 86.8%, respectively, of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report, thereon has been furnished to us, and our opinion on the basic financial statements insofar as it relates to amounts included for such component unit is based on the report of the other auditors. 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 basic 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 basic 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 of America. In our opinion, the schedule of expenditures of federal awards fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Legislators, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

July 16, 2012

Westchester County, New York

Schedule of Findings and Questioned Costs

December 31, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported
- Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified? ___ yes X none reported

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

___ yes X no

Westchester County, New York

Schedule of Findings and Questioned Costs (Continued)

December 31, 2011

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Federal Transit Cluster
20.500	Federal Transit - Capital Investment Grants
20.507	Federal Transit - Formula Grants (Urbanized Area Formula Program)
66.458	ARRA - Capitalization Grants For Clean Water State Revolving Funds
81.128	ARRA - Emergency Efficiency And Conservation Block Program
84.394	ARRA - State Fiscal Stabilization Fund - Education State Fund Grants
	Medicaid Cluster
93.778	Medical Assistance Program (Medicaid Title XIX)
93.778	ARRA - Medical Assistance Program (Medicaid Title XIX)
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish
between Type A and Type B programs

\$3,000,000

Auditee qualified as low-risk auditee?

X yes no

Section II – Financial Statement Findings

No matters to report

Section III – Federal Award Findings and Questioned Costs

No matters to report

Westchester County, New York
Summary Schedule of Prior Findings
December 31, 2011

Financial Statement Findings

None

Federal Awards findings and Questioned Cost

None