

WESTCHESTER COUNTY, NEW YORK
OMB CIRCULAR A-133 FINANCIAL REPORT
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
December 31, 2007

Westchester County, New York

Financial Statements

December 31, 2007

TABLE OF CONTENTS

	<u>Page</u>
Supplementary Information Schedule of Expenditures of Federal Awards	1-7
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	8-9
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	10-11
Schedule of Findings and Questioned Costs	12-15

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2007

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
<u>U.S. Department of Agriculture</u>		
Indirect Program -Passed Through New York State Department of Health Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	\$ 1,635,770
Child and Adult Care Food Program (CACFP)	10.558	8,388
Indirect Program -Passed Through New York State Department of Social Services Food Stamps	10.551	<u>5,368,350</u>
Total U. S. Department of Agriculture		<u>7,012,508</u>
 <u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Community Development Block Grants Entitlement Grants	14.218	6,224,539
Emergency Shelter Grants Program	14.231	464,836
Supportive Housing Program	14.235	1,344,634
Shelter Plus Care	14.238	8,700,167
HOME Investment Partnerships Program	14.239	3,310,945
Lead Hazard Reduction Demonstration Grant Program	14.905	850,242
Indirect Program - Passed through New York State Division of Housing and Community Renewal		
Housing Opportunities for Persons with AIDS	14.241	1,194,648
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	<u>3,087,296</u>
Total U.S. Department of Housing and Urban Development		<u>25,177,307</u>

(Continued)

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2007

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
<u>U. S Department of Interior</u>		
National Spatial Data Infrastructure Cooperative Agreements Program	15.809	\$ 19,129
Total Department of Interior		<u>19,129</u>
<u>U.S. Department of Justice</u>		
Direct Program:		
DEA Seized Assets	16. Unknown	754,621
Supervised Visitation, Safe Havens for Children	16.527	104,848
Edward Byrne Memorial Justice Assistance Grant Program	16.738	225,039
Violence Against Women Formula Grants	16.588	78,375
Public Safety Partnership and Community Policing Grants	16.710	1,809
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	140,135
Indirect Programs - Passed through New York State Department for Criminal Justice Services		
Bulletproof Vest Partnership Program	16.607	10,224
Juvenile Accountability Incentive Block Grants	16.523	12,523
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	26,840
Crime Victim Assistance	16.575	208,662
Violence Against Women Formula Grants	16.588	257,064
State Criminal Alien Assistance Program	16.606	719,287
Public Safety Partnership and Community Policing Grants	16.710	336,944
Edward Byrne Memorial Justice Assistance Grant Program	16.738	266,970
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	<u>124,585</u>
Total U.S. Department of Justice		<u>3,267,926</u>

(Continued)

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2007

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
<u>Department of Labor</u>		
Indirect Program-Passed through New York State Department of Labor		
WIA Adult Program	17.258	\$ 661,661
WIA Youth Activities Program	17.259	1,101,276
WIA Dislocated Workers	17.260	<u>2,384,513</u>
Total U.S. Department of Labor		<u>4,147,450</u>
 <u>U.S. Department of Transportation</u>		
Direct Programs:		
Airport Improvement Program	20.106	1,871,505
Federal Transit - Capital Investment Grants	20.500	1,331,247
Federal Transit Metropolitan Planning Grants	20.505	1,089,972
Federal Transit - Formula Grants	20.507	9,961,124
Indirect Programs - Passed through New York State Department of Transportation:		
Highway Planning and Construction	20.205	2,299,906
Federal Transit Metropolitan Planning Grants	20.505	579,520
Job Access - Reverse Commute	20.516	1,201,328

(Continued)

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2007

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
State and Community Highway Safety	20.600	\$ 286,932
Total U.S. Department of Transportation		<u>18,621,534</u>
<u>National Endowment for the Humanities</u>		
Promotion of the Humanities - Professional Development	45.163	<u>13,552</u>
Total National Endowment for the Humanities		<u>13,552</u>
<u>Environmental Protection Agency</u>		
Beach Monitoring and Notification Program Implementation Grants	66.472	28,312
Long Island Sound Program	66.437	19,444
9/11 Memorial	66.Unknown	<u>102,090</u>
Total Department of Environmental Protection Agency		<u>149,846</u>
<u>U.S. Department of Education</u>		
Direct Programs:		
Federal Perkins Loan Program-Federal Capital Contributions (Note 4)	84.038	-
Federal Supplemental Educational Opportunity Grant	84.007	208,978
Federal Family Education Loans	84.032	2,795,221
Federal Work Study Program (FWS)	84.033	163,619
Federal Pell Grant Program (PELL)	84.063	5,899,089

(Continued)

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2007

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
Academic Competitiveness Grants	84.375	\$ 43,501
Indirect Program - Passed through New York State Department of Education:		
Special Education Grants to States (IDEA, Part B)	84.027	18,744
Higher Education-Institutional Aid	84.031	172,706
TRIO - Student Support Services	84.042	231,138
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	538,895
Fund for the Improvement of Postsecondary Education	84.116	113,493
Special Education - Grant for Infant and Families with Disabilities	84.181	<u>880,865</u>
Total U.S. Department of Education		<u>11,066,249</u>
<u>U.S. Department of Health and Human Services</u>		
Nursing Student Loans (Note 4)	93.364	-
Administration on Aging		
Indirect Pass through New York State Office of Aging		
Special Programs		
for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	1,688,625
Special Programs		
for the Aging - Title III, Part C - Nutrition Services	93.045	1,587,704
Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	90,436
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	62,869
National Family Caregiver Support, Title III, Part E	93.052	430,499
Nutrition Services Incentive Program	93.053	<u>311,026</u>
Total Administration on Aging		<u>4,171,159</u>

(Continued)

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2007

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
Administration for Children and Families Indirect Pass through New York State Department of Social Services		
Temporary Assistance for Needy Families (TANF)	93.558	\$ 50,758,267
Child Support Enforcement	93.563	6,751,260
Low-Income Home Energy Assistance	93.568	2,070,888
Child Care Development and Block Grant	93.575	1,116,607
Foster Care Title IV-E	93.658	38,081,166
Social Services Block Grant	93.667	<u>12,422,740</u>
Total Administration for Children and Families		<u>111,200,928</u>
Centers for Medicare and Medicaid Services Indirect Pass through New York State Department of Social Services		
State Children's Insurance Program (SCHIP)	93.767	224,891
Medical Assistance - Program	93.778	17,682,733
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	<u>44,389</u>
Total Centers for Medicare and Medicaid Services		<u>17,952,013</u>
Centers for Disease Control		
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	112,486
Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	694,947
Immunization Grants	93.268	230,546
Public Health Emergency Preparedness	93.069	1,473,397
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	241,318
Preventative Health Services Block Grant	93.991	<u>38,840</u>
Total Centers for Disease Control		<u>2,791,534</u>
<u>Health Resources and Services Administration</u>		
Maternal and Child Health Services Block Grant to the States	93.994	252,337
HIV Emergency Relief Project Grants	93.914	<u>5,243,089</u>
Total Health Resources and Services Administration		<u>5,495,426</u>

(Continued)

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2007

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
<u>Substance Abuse and Mental Health Services Administration</u>		
Indirect Program-Passed through New York State Office of Alcoholism and Substance Abuse		
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	\$ 299,812
Drug-Free Communities Support Program Grants	93.276	99,994
Block Grants for Prevention and Treatment of Substance Abuse	93.959	<u>4,483,374</u>
Total Substance Abuse and Mental Health Services Administration		<u>4,883,180</u>
Indirect Program - Passed through New York State Office of Mental Health		
Block Grants for Community Mental Health Services	93.958	<u>630,592</u>
Total U.S. Department of Health and Human Services		<u>147,124,832</u>
<u>Social Security Administration</u>		
Supplemental Security Income (SSI)	96.006	<u>65,600</u>
Total Social Security Administration		<u>65,600</u>
<u>Department of Homeland Security</u>		
Direct Programs:		
Urban Areas Security Initiative	97.008	1,998,000
Indirect Programs -Passed Through New York State Emergency Management Office		
State Domestic Preparedness Equipment Support Program (State Homeland Security Program)	97.004	826,117
Urban Areas Security Initiative	97.008	2,000
Emergency Management Performance Grants	97.042	278,689
Homeland Security Grant Program	97.067	539,614
State Homeland Security Program (SHSP)	97.073	<u>19,927</u>
Total Department of Homeland Security		<u>3,664,347</u>
Total Federal Assistance		<u>\$ 220,330,280</u>

(1) Catalogue of Federal Domestic Assistance Number



O'Connor Davies Munns & Dobbins, llp

ACCOUNTANTS AND CONSULTANTS

**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 the County of Westchester, New York (the "County") as of and for the year ended December 31, 2007 which collectively comprise the County's basic financial statements and have issued our report thereon dated July 21, 2008. We did not audit the financial statements of the Westchester County Health Care Corporation (a component unit) for the year ended December 31, 2007, which represents 91.3% and 88.3%, respectively, of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report, dated April 30, 2008, thereon has been furnished to us, and our opinions 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. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Westchester, New York's (the County) internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Bennett Kielson Storck DeSantis Division

One Barker Avenue, White Plains, New York 10601 914.421.5600 tel 914.421.5099 fax www.odmd.com

Honorable Board of Legislators of the
County of Westchester, New York
Page 2

Our consideration of the 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of the County in a separate letter dated July 21, 2008.

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.

Bennett Kielson Storch DeSantis

White Plains, New York
September 12, 2008



O'Connor Davies Munns & Dobbins, llp

ACCOUNTANTS AND CONSULTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the County of Westchester, 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, 2007. The County of Westchester's major federal programs are identified in the summary of auditor's results sections 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 of Westchester, New York's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Bennett Kielson Storch DeSantis Division

One Barker Avenue, White Plains, New York 10601 914.421.5600 tel 914.421.5099 fax www.odmd.com

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Westchester, New York as of and for the year ended December 31, 2007 and have issued our report thereon dated July 21, 2008. Our audit was performed 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 (a component unit) for the year ended December 31, 2007, which represents 91.3% and 88.3%, respectively, of the assets and revenues of the component units. Those financial statements were audited by other auditors whose report, dated April, 2008, thereon has been furnished to us, and our opinions 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is 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.

Bennett Kielson Storch DeSantis
White Plains, New York
September 12, 2008

Westchester County, New York
 Schedule of Expenditures of Federal Awards
Year Ended December 31, 2007

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all Federal award programs for the year ended December 31, 2007. Federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the Schedule.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Government and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

3. *Relationship to Financial Statements*

The County's fund financial statements are presented on the modified accrual basis of accounting

4. *Westchester Community College*

Westchester Community College is collecting outstanding loans on following programs:

	<u>CFDA #</u>	<u>Loans Extended For 8/31/2007</u>	<u>Outstanding Principal Balance at 8/31/2007</u>
Perkins Loan Program- NDSL	84.038	None	\$ 234,994
Nursing Loans	93.364	None	\$ 6,010

The College no longer participates in either of these programs but is collecting outstanding balances on these loans.

See independent auditors' report.

Westchester County, New York
 Schedule of Findings and Questioned Costs
December 31, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified
 Internal control over financial reporting
 Material weakness(es) identified? yes no
 Significant control deficiency(ies) identified not
 considered to be material weakness(es)? yes none reported
 Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs
 Material weakness(es) identified? yes no
 Significant control deficiency(ies) identified not
 considered to be material weakness(es)? yes none reported
 Type of auditors' report issued on compliance
 for major programs Unqualified
 Any audit findings disclosed that are required
 to be reported in accordance with OMB Circular
 A-133, Section 510(a)? yes no

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.551	Food Stamps
14.218	Community Development Block Grants/Entitlement Grants
14.238	Shelter Plus Care
14.239	Home Investment Partnership Program
14.241	Housing Opportunities for Persons with AIDS
14.856	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation
93.658	Foster Care Title IV- E

Westchester County, New York
Schedule of Findings and Questioned Costs
December 31, 2007

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

None

Section III – Federal Award Findings and Questioned Costs

None

Westchester County, New York

December 31, 2007

Summary Schedule of Prior Year Audit Findings

Finding 2006 -1 significant control deficiency over recording of compensated absences.

Status of Prior Finding: Planned corrective action completed this fiscal year.