

WESTCHESTER COUNTY, NEW YORK  
OMB CIRCULAR A-133 FINANCIAL REPORT  
TOGETHER WITH INDEPENDENT AUDITORS' REPORT  
December 31, 2010

Westchester County, New York

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December 31, 2010

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Expenditures of Federal Awards	1-7
Notes to Schedule of Expenditures of Federal Awards	8-9
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	10-11
Independent Auditors' Report on Compliance with Requirements That Could Have A Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	12-13
Schedule of Findings and Questioned Costs	14-15
Summary Schedule of Prior Year Audit Findings	16-19

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2010

<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	\$ 141,999	\$	\$ 141,999
Indirect Programs Pass-Through NYS Department of Health				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	2,331,283		2,331,283
Child and Adult Care Food Program	10.558	12,304		12,304
				<u>2,343,587</u>
Indirect Programs Pass-Through NYS Office of Temporary Disability				
<i>Snap Cluster:</i>				
Supplemental Nutrition Assistance Program (SNAP)	10.551	286,905		286,905
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	10.561	8,611,532		8,611,532
ARRA - State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	10.561		275,773	275,773
<i>Subtotal SNAP Cluster</i>				9,174,210
Total Department of Agriculture				<u>11,659,796</u>
<u>Department of Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG Entitlement Grants Cluster:</i>				
Community Development Block Grants/Entitlement	14.218	4,641,723		4,641,723
ARRA - Community Development Block Grant Entitlement Grants	14.253		1,141,697	1,141,697
Subtotal CDBG Entitlement Grants Cluster				5,783,420
Emergency Shelter Grants Program	14.231	221,419		221,419
Supportive Housing Program	14.235	1,106,279		1,106,279
Shelter Plus Care	14.238	4,024,061		4,024,061
HOME Investment Partnerships Program	14.239	987,736		987,736
ARRA - Homelessness Prevention and rapid Re-Housing Program	14.257		439,919	439,919
Fair Housing Assistance Program State and Local	14.401	68,500		68,500
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	290,524		290,524
Lead Hazard Reduction Demonstration Grant Program	14.905	168,662		168,662
Total Direct Programs				<u>13,090,520</u>
Indirect Program Pass-Through New York State Division of Housing and Community Renewal				
Community Development Block Grant Entitlement/State's Program	14.228	2,186,852		2,186,852
Indirect Programs Passed through New York City Department of Health and Mental Hygiene				
Housing Opportunities for Persons with AIDS	14.241	2,113,222		2,113,222
				<u>4,300,074</u>
<i>Section 8 Project Based Cluster:</i>				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	18,240		18,240
Indirect Programs Pass-Through New York State Housing Trust Fund				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	35,734		35,734
Subtotal Section 8 Project Based Cluster:				<u>53,974</u>

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2010

<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 Housing and Urban Development</u> (Continued)				
Section 8 Housing Choice Vouchers	14.871	\$ 4,054,191	\$	\$ 4,054,191
Total Indirect Programs				8,408,239
Total Department of Housing and Urban Development				21,498,759
<u>Department of Interior</u>				
National Spatial Data Infrastructure Cooperative Agreements Program	15.809	47,817		47,817
<u>Department of Justice</u>				
Direct Programs:				
USMS - Regional Fugitive Task Force - MOU	16.Unknown	24,340		24,340
Law Enforcement Assistance Narcotics and Dangerous Drug-Training	16.004	667,726		667,726
Law Enforcement Assistance -FBI Advanced Police Training	16.300	40,027		40,027
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	16.203	11,689		11,689
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	115,594		115,594
Bulletproof Vest Partnership Program	16.607	2		2
Forensic DNA Backlog Reduction Program	16.741	142,122		142,122
Paul Coverdell - Forensic Science Improvement Grant Program	16.742	89,477		89,477
Public Safety Partnership and Community Policing Grants	16.710	234,088		234,088
Total Direct Programs				1,325,065
Indirect Programs Pass-Through New York State Department of Criminal Justice Services				
Juvenile Accountability Incentive Block Grants	16.523	64,223		64,223
National Forensic Sciences Improvement Act	16.560	22,742		22,742
Crime Victims Assistance	16.575	161,739		161,739
ARRA - Violence Against Women - Family Offense Prosecution Program	16.588		48,861	48,861
Violence Against Women - Family Offense Prosecution Program	16.588	279,607		279,607
State Criminal Alien Assistance Program	16.606	1,164,635		1,164,635
Paul Coverdell - Forensic Sciences Improvement Grant Program	16.742	121,237		121,237
ARRA - Internal Crimes Against Children Task Force Program	16.800		17,524	17,524
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.803		170,115	170,115
Total Indirect Programs				2,050,683
Total Department of Justice				3,375,748
<u>Department of Labor</u>				
Indirect Programs Pass-Through NYS Department of Labor				
Trade Adjustment Assistance	17.245	28,147		28,147
<i>WIA Cluster:</i>				
WIA Adult Program	17.258	1,972,467		1,972,467
ARRA - WIA Adult Program	17.258		160,754	160,754
WIA Youth Activities	17.259	697,277		697,277
ARRA - WIA Youth Activities	17.259		147,495	147,495
WIA Dislocated Workers	12.260	964,490		964,490

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2010

<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 Labor</u> (Continued)				
ARRA - WIA Dislocated Workers	17.260	\$	\$ 1,028,772	\$ 1,028,772
Indirect Program Pass-Through from New York State Department on Mental Health				
ARRA - WIA Adult Program	17.258		454	454
Indirect Program Pass-Through from New York Office of Alcoholism and Substance Abuse Services				
ARRA - WIA Dislocated Workers	17.260		41,000	41,000
Subtotal WIA Cluster				5,012,709
WIA Pilots, Demonstrations, and Research Projects	17.261	146,368		146,368
Work Incentive Grants	17.266	81,077		81,077
Total Department of Labor				5,268,301
<u>Department of Transportation</u>				
Direct Programs:				
Airport Improvement Program	20.106	1,533,906		1,533,906
<i>Federal Transit - Cluster</i>				
Federal Transit-Capital Investment Grants	20.500	24,931		24,931
Federal Transit- Formula Grants	20.507	10,651,655		10,651,655
ARRA - Federal Transit- Formula Grants	20.507		2,872,941	2,872,941
Subtotal Federal Transit - Cluster				13,549,527
<i>Transit Service - Cluster</i>				
Job Access Reverse Commute	20.516	1,440,442		1,440,442
Total Direct Programs				16,523,875
Indirect Programs Pass-Through New York State Department of Transportation:				
<i>Highway Planning and Construction - Cluster</i>				
Highway Planning and Construction	20.205	4,364,584		4,364,584
ARRA - Highway Planning and Construction	20.205		405,866	405,866
Subtotal Highway Planning and Construction - Cluster				4,770,450
State and Community Highway Safety	20.600	320,209		320,209
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	3,776		3,776
Total Indirect Programs				5,094,435
Total Department of Transportation				21,618,310
<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		11,601,961	11,601,961
Total Department of Environmental Protection Agency				11,627,599
<u>Department of Energy</u>				
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128		720,981	720,981
Indirect Program Pass-Through New York State Division of Housing and Community Renewal				
ARRA - Weatherization Assistance for Low-Income Persons	81.042		331,476	331,476
Total Department of Energy	3			1,052,457

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2010

<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</u>				
Direct Programs:				
<i>Student Financial Aid - Cluster</i>				
Federal Supplemental Education Opportunity Grants ( FSEOG )	84.007	\$ 157,738		\$ 157,738
Federal Family Education Loans (FFEL)	84.032	7,054,666		7,054,666
Federal Work Study Program ( FWS )	84.033	159,124		159,124
ARRA - Federal Work Study Program ( FWS )	84.033		48,027	48,027
ARRA - Federal PELL Grant Program ( PELL )	84.063		3,835,905	3,835,905
Federal PELL Grant Program ( PELL )	84.063	10,488,968		10,488,968
Academic Competitiveness Grants ( ACG )	84.375	96,717		96,717
Total Direct Programs - SFA Cluster				21,841,145
Indirect Programs Pass-Through New York State Department of Education				
Trio-Student Support Services (TRIO)	84.042	299,520		299,520
Career and Technical Education Basic Grants to States	84.048	343,004		343,004
Special Education- Grant for Infants and Families	84.181	572,910		572,910
Indirect Programs Pass-Through State University of New York				
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services	84.397		2,493,555	2,493,555
Total Indirect Programs				3,708,989
Total Department of Education				25,550,134
<u>Department of Health and Human Services</u>				
Direct Programs:				
Food and Drug Administration Research	93.103	24,520		24,520
Indirect Programs - Passed through New York State Department of Aging				
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	48,295		48,295
<i>Aging - Cluster</i>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	685,461		685,461
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	1,044,655		1,044,655
Nutrition Services Incentive Program	93.053	359,843		359,843
ARRA - Aging Home-Delivered Nutrition Services for States	93.705		46,833	46,833
ARRA - Aging Congregate Nutrition Services for States	93.707		105,826	105,826
Subtotal Aging - Cluster				2,242,618

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended December 31, 2010

<b>Federal Grantor Program Title</b>	<b>Federal CFDA Number (1)</b>	<b>NON ARRA</b>	<b>ARRA</b>	<b>Federal Program Expenditures</b>
<i>Department of Health and Human Services (Continued)</i>				
Special Program for the Aging - Title III, Part D	93.043	\$ 55,131	\$	\$ 55,131
National Family Caregiver Support - Title III, Part E	93.052	388,815		388,815
Medicare Enrollment Assistance Program	93.071	11,984		11,984
Total Administration on Aging				<u>2,746,843</u>
<i>Administration for Children and Families</i>				
Direct Programs:				
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.087	590,193		<u>590,193</u>
<i>TANF - Cluster</i>				
Indirect Programs Pass-Through NYS Department of Social Services				
Temporary Assistance for Needy Families (TANF)	93.558	61,258,697		61,258,697
ARRA-Emergency Contingency Fund for TANF	93.714		86,174	86,174
Subtotal TANF - Cluster				<u>61,344,871</u>
ARRA-Child Support Enforcement	93.563		1,140,285	1,140,285
Child Support Enforcement	93.563	7,298,506		<u>7,298,506</u>
Low-Income Home Energy Assistance	93.568	959,144		<u>959,144</u>
<i>CCDF - Cluster</i>				
Child Care and Development Block Grant	93.575	20,260,445		20,260,445
ARRA-Child Care and Development Block Grant	93.713		1,787,752	1,787,752
Subtotal CCDF - Cluster				<u>22,048,197</u>
ARRA - Foster Care Title IV-E	93.658		794,409	794,409
Foster Care Title IV-E	93.658	16,891,127		<u>16,891,127</u>
Adoption Assistance	93.659	3,407,950		<u>3,407,950</u>
ARRA - Adoption Assistance	93.659		420,593	420,593
Social Services Block Grant - Title XX	93.667	12,476,721		<u>12,476,721</u>
Total Administration for Children and Families				<u>127,371,996</u>
<i>Centers for Medicare and Medicaid Services</i>				
Direct Programs:				
Early Retirement Reinsurance Program	93.546	2,479,937		2,479,937
Indirect Programs Pass-Through NYS Department of Social Services				
Children's Health Insurance Program	93.767	96,214		96,214
ARRA-Medical Assistance Program	93.778		41,018,847	41,018,847
Medical Assistance Program	93.778	19,491,473		19,491,473
Centers for Medicare and Medicaid Services Research Demonstration and Evaluations	93.779	30,720		<u>30,720</u>
Total Centers for Medicare and Medicaid Services				<u>63,117,191</u>

WESTCHESTER COUNTY, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2010

<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 Health and Human Services</u> (Continued)				
<i>Centers for Disease Control</i>				
Indirect Programs Pass-Through NYS Health Department				
Immunization Grants	93.268	\$ 153,714	\$	\$ 153,714
Center for Disease and Prevention Investigations and Technical Assistance	93.283	173,231		173,231
Public Health Emergency Preparedness	93.069	879,401		879,401
ARRA - Immunization	93.712		67,120	67,120
Preventive Health Service - Sexually Transmitted Disease Control	93.977	196,945		196,945
Preventative Health and Health Services Block Grant	93.991	1,917		1,917
Total Centers for Disease Control				1,472,328
<i>Health Resources and Services Administration</i>				
Maternal and Child Health Federal Consolidated Programs	93.994	215,893		215,893
Indirect Programs Pass-Through the City of New York Department of Mental Hygiene				
HIV Emergency Relief Formula Grants	93.914	5,528,360		5,528,360
Total Health Resources and Service Administration				5,744,253
<i>Substance Abuse and Mental Health Services Administration</i>				
<i>Direct Program:</i>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	193,895		193,895
Drug Free Communities Support Grants	93.276	150,994		150,994
Total Direct Programs				344,889
Indirect Programs Pass-Through NYS Office of Alcoholism and Substance Abuse				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,809,553		1,809,553
Total Substance Abuse and Mental Health Services Administration				2,154,442
Indirect Program Pass-Through NYS Office of Mental Health				
Block Grants for Community and Mental Health Services	93.958	936,632		936,632
Total Department of Health and Human Services				203,568,205
<u>Social Security Administration</u>				
<i>Direct Program:</i>				
Supplemental Security Income	96.006	71,600		71,600



WESTCHESTER COUNTY, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2010**

<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 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	\$ 1,133,038	\$	\$ 1,133,038
Emergency Management Performance Grant	97.042	221,218		221,218
Port Security Grant Program	97.056	225,000		225,000
Homeland Security Grant Program	97.067	457,397		457,397
State Homeland Security Program (SHSP)	97.073	164,586		164,586
Transit Security Grant Program	97.075	169,377		169,377
Buffer Zone Protection Program (B)	97.078	55,803		55,803
Securing the Cities	97.106	101,825		<u>101,825</u>
Total Department of Homeland Security				<u>2,528,244</u>
 <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		 <u>\$ 236,616,055</u>	 <u>\$ 71,250,915</u>	 <u>\$ 307,866,970</u>

Note (1) - Catalogue of Federal Domestic Assistance

Westchester County, New York  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2010

**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, 2010. 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 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.

**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 the following programs:

		August 31, 2010	
CFDA#	Loans Extended		Outstanding Principal Balance
Perkins Loan Program- NDSL	84.038	None	\$ 228,464
Nursing Loans	93.364	None	\$ 5,301

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

Westchester County, New York  
Notes to Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2010

**NOTE A - SUMMARY OF ACCOUNTING POLICIES** (Continued)

**5. Financing Available under the American Recovery and Reinvestment Act 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. 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 as of December 31, 2010.

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 as of December 31, 2010 for the project amounted to \$11,601,961 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 and interest payment as of December 31, 2010:

<u>SRF Project Code</u>	<u>Note No.</u>	<u>Principal</u>	<u>First Semi-Annual Interest Payment Due</u>	<u>First Annual Principal Payment Due</u>	<u>Maturity Date</u>
C3-7396-02-00	RST-1	\$55,000,000	February 1, 2010	August 1, 2011	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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 20, 2011. 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 finance 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 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 matters that we reported to management of the County in a separate letter dated June 20, 2011.

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 Munns & Dobbins, LLP*

**O'Connor Davies Munns & Dobbins, LLP**

June 20, 2011



O'Connor Davies Munns & Dobbins, llp  
ACCOUNTANTS AND CONSULTANTS

**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, 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 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 Westchester County, New York'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, 2010.

**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 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, 2010 and have issued our report thereon dated June 20, 2011 which contained unqualified opinions on those financial statements. 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 Corporation (a component unit) for the year ended December 31, 2010, which represents 89.8% and 87.7%, 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 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.

*O'Connor Davies Munns & Dobbins, LLP*

**O'Connor Davies Munns & Dobbins, LLP**  
September 9, 2011

Westchester County, New York  
Schedule of Findings and Questioned Costs  
December 31, 2010

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, 2010

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	<b>CDBG Entitlement Grant Cluster</b>
14.218	Community Development Block Grant / Entitlement Grants
14.253	ARRA - Community Development Block Grant / Entitlement Grants (CDBG-R)
	<b>WIA Cluster</b>
17.258	WIA Adult Program
17.258	ARRA -WIA Adult Program
17.259	WIA Youth Program
17.259	ARRA -WIA Youth Program
17.260	WIA Dislocated Workers
17.260	ARRA - WIA Dislocated Workers
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds
	<b>CCDF Cluster</b>
93.575	Child Care and Development Block Grant
93.713	ARRA - Child Care and Development Block Grant
	<b>TANF Cluster</b>
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
93.667	Social Services Block Grant - Title XX
93.778	Medical Assistance (Medicaid Title XIX)
93.778	ARRA - Medical Assistance (Medicaid Title XIX)

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

\$3,000,000

Auditee qualified as low-risk auditee?

       yes   X   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 Audit Findings

December 31, 2010

**Financial Statement Findings**

**Finding 2009-01:**

Multiple American Recovery and Reinvestment Act (ARRA) programs and Non ARRA programs' transactions were initially not properly recorded and accounted for to permit the preparation of reliable Federal reports.

**Status of Prior Finding:**

Management has taken corrective action.

The implementation of the central depository of information on critical information concerning programs is functioning as expected and will continue in the future. Management continues to retrain staff on the proper retention and access to required supporting documentation. Management monitored departments to ensure that the new procedures were implemented for departments who receive AARA funding. Management held training sessions for critical staff to explain the new procedures consist of identifying Federal Programs and the specific reporting requirements of the same. The success of the training is evidenced by the fact that there are no findings in the in 2010.

**Federal Awards findings and Questioned Cost**

**Finding 2009-02:**

Eligibility and Allowed Activities - Communication of the American Recovery and Reinvestment Act (ARRA) Requirements to Directors of Funded Programs

**Status of Prior Finding:**

Management has taken corrective action.

The implementation of the central depository of information on critical information concerning programs is functioning as expected and will continue in the future. Management continues to retrain staff on the proper retention and access to required supporting documentation. Management monitored departments to ensure that the new procedures were implemented for departments who receive AARA funding. Management held training sessions for critical staff to explain the new procedures consist of identifying Federal Programs and the specific reporting requirements of the same. The success of the training is evidenced by the fact that there are no findings in 2010.

Westchester County, New York  
Summary Schedule of Prior Audit Findings (Continued)

December 31, 2010

**Federal Awards findings and Questioned Cost (Continued)**

**Finding - 2009-03**

Cash Management – CFDA 84.032 Federal Family Education Loans Department of Education

**Status of Prior Finding:**

Management has taken corrective action.

The implementation of the central depository of information on critical information concerning programs is functioning as expected and will continue in the future. Management continues to retrain staff on the proper retention and access to required supporting documentation. Management monitored departments to ensure that the new procedures were implemented for departments who receive AARA funding. Management held training sessions for critical staff to explain the new procedures consist of identifying Federal Programs and the specific reporting requirements of the same. The success of the training is evidenced by the fact that there are no findings in 2010.

**Finding - 2009-04:**

Test of Eligibility - CFDA 10.551 Supplemental Nutrition Program (SNAP) (Non-ARRA)  
Department of Agriculture passed through NYS Office of Temporarily Disability Assistance.

**Status of Prior Finding:**

Management has taken corrective action.

The implementation of the central depository of information on critical information concerning programs is functioning as expected and will continue in the future. Management continues to retrain staff on the proper retention and access to required supporting documentation. Management monitored departments to ensure that the new procedures were implemented for departments who receive AARA funding. Management held training sessions for critical staff to explain the new procedures consist of identifying Federal Programs and the specific reporting requirements of the same. The success of the training is evidenced by the fact that there are no findings in 2010. Management reinforces the necessity to have complete and accurate case files for all eligible recipients of the program. New staff is trained on the proper reporting of the programs.

Westchester County, New York  
Summary Schedule of Prior Audit Findings (Continued)

December 31, 2010

**Federal Awards findings and Questioned Cost (Continued)**

**Finding - 2009-05: CFDA ARRA 93.658 Foster Care – Title IV-E Department of Health and Human Services Passed through New York State Department of Social Services**

Eligibility (Audit Documentation Requirements)

**Status of Prior Finding:**

Management has taken corrective action.

The implementation of the central depository of information on critical information concerning programs is functioning as expected and will continue in the future. Management continues to retrain staff on the proper retention and access to required supporting documentation. Management monitored departments to ensure that the new procedures were implemented for departments who receive AARA funding. Management held training sessions for critical staff to explain the new procedures consist of identifying Federal Programs and the specific reporting requirements of the same. The success of the training is evidenced by the fact that there are no findings in 2010. Management reinforces the necessity to have complete and accurate case files for all eligible recipients of the program. New staff is trained on the proper reporting of the programs.

**Finding 2009–06: CFDA 14.238 Shelter Care Plus Department of Housing and Urban Development**

Subrecipient Monitoring

**Status of Prior Finding:**

Management has taken corrective action.

Management created a procedure list for all departments which receive AARA funding. Management held training sessions for critical staff to explain the new procedures which will consist of identifying Federal Programs and the specific reporting requirements of the same. Management retrained staff on the necessity to have complete and accurate case files for all eligible recipients of the program. New staff is trained on the proper reporting of the programs. Management is involved in a very in-depth review of the program expenses and associated receipt of funds. The review is not finalized but preliminary findings show that some sub recipients may not have adequately provided documentation to substantiate all payments. In addition, much of the paperwork for the inception of the program has not been maintained (it is beyond six years) to verify payments. Management has taken steps to verify and reconcile sub recipient documentation and payments since these preliminary findings were found. Management examined the results of the review and will determine the amount, if any that is due to the funding agency.

Westchester County, New York  
Summary Schedule of Prior Audit Findings (Concluded)

December 31, 2010

**Federal Awards findings and Questioned Cost (Continued)**

**Finding - 2009-07:**

Reporting – Section 1512 ARRA Reporting  
CFDA 84.397 State Fiscal Stabilization Fund (SFSF) - ARRA

**Status of Prior Finding:**

Management has taken corrective action.

Reference Finding 2009-01

**Finding 2008-1**

Reporting-Revised Schedule of Expenditures of Federal Awards

**Status of Prior Finding:**

Management completed planned corrective action.