

COUNTY OF ONONDAGA, NEW YORK

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

DECEMBER 31, 2014

Bonadio & Co., LLP
Certified Public Accountants

COUNTY OF ONONDAGA, NEW YORK

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

August 12, 2015

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

Report on Compliance for Each Major Federal Program

We have audited the County of Onondaga, New York's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. 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.

The County's basic financial statements include the operations of Onondaga Community College, Onondaga County Convention Center/War Memorial Complex Management Corporation, Onondaga County Housing Development Fund Company, Onondaga County Industrial Development Agency, Friends of the Rosamond Gifford Zoo and the Onondaga Tobacco Asset Securitization Corporation whose federal awards are not included in the schedule of expenditures of federal awards for the year ended December 31, 2014. Our audit, described below, did not include the federal awards of the above entities as these entities conducted separate audits in accordance with OMB Circular A-133, if required.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

(Continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-001 through 2014-002 to be material weaknesses.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Report on Internal Control over Compliance

(Continued)

A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Onondaga, New York (the County) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 13, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to April 13, 2015. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

COUNTY OF ONONDAGA, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Program Title</u>	<u>CFDA #</u>	<u>Pass-Through Grantor ID #</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:			
Direct Program:			
Urban and Community Forestry Program	10.675		\$ 196,148
Pass-Through New York State Education Department:			
Child Nutrition Cluster:			
School Breakfast Program	10.553		8,466
National School Lunch Program	10.555		<u>13,808</u>
Total Child Nutrition Cluster			<u>22,274</u>
Pass-Through NYS Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	C025777	1,629,546
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	C025815	263,446
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		<u>6,598,256</u>
Total WIC			<u>8,491,248</u>
Pass-Through New York State (NYS) Department of Family Assistance:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		4,432,661
Pass-Through NYS Department of Health:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		67,500
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	C026674	<u>50,490</u>
Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program			<u>4,550,651</u>
Total U.S. Department of Agriculture			<u>13,260,321</u>
U.S. Department of Housing and Urban Development:			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		<u>2,059,149</u>
Emergency Solutions Grants Program	14.231		<u>180,689</u>
Home Investment Partnerships Program	14.239		<u>465,043</u>
Continuum of Care Program	14.267		<u>57,608</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		<u>2,170,767</u>
Pass-Through City of Syracuse:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	04811	<u>65,332</u>
Total Lead-Based Paint Hazard Control in Privately-Owned Housing			<u>2,236,099</u>
Total U.S. Department of Housing and Urban Development			<u>4,998,588</u>

(Continued)

COUNTY OF ONONDAGA, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Program Title</u>	<u>CFDA #</u>	<u>Pass-Through Grantor ID #</u>	<u>Federal Expenditures</u>
U.S. Department of Justice:			
Direct Programs:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		<u>(30,000)</u>
State Criminal Alien Assistance Program	16.606		<u>6,917</u>
Bulletproof Vest Partnership Program	16.607		<u>13,796</u>
Public Safety Partnership and Community Policing Grants	16.710		<u>74,085</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738		172,887
Pass-Through NYS Division of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		102,978
Edward Byrne Memorial Justice Assistance Grant Program	16.738	C632351	<u>11</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>275,876</u>
Juvenile Justice and Delinquency Prevention Allocation to States	16.540		<u>114,842</u>
DNA Backlog Reduction Program	16.741	DN-BX-0001	9,267
DNA Backlog Reduction Program	16.741	DN-BX-K009	<u>207,919</u>
Total DNA Backlog Reduction Program			<u>217,186</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	T662006	19,031
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	T662190	<u>17,086</u>
Total Paul Coverdell Forensic Sciences Improvement Grant Program			<u>36,117</u>
Total U.S. Department of Justice			<u>708,819</u>
U.S. Department of Labor:			
Pass-Through NYS Office for the Aging:			
Senior Community Service Employment Program	17.235		<u>97,413</u>
Total U.S. Department of Labor			<u>97,413</u>
U.S. Department of Transportation:			
Pass-Through NYS Department of Transportation:			
Highway Planning and Construction	20.205		<u>6,454,078</u>
Metropolitan Transportation Planning	20.505		<u>198,760</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		<u>72</u>
Pass-Through NYS Governor's Traffic Safety Committee:			
State and Community Highway Safety	20.600		<u>135,668</u>
Total U.S. Department of Transportation			<u>6,788,578</u>
National Endowment of the Arts:			
Promotion of the Arts, Grants to Organizations and Individuals	45.024		<u>(346)</u>
Total National Endowment of the Arts			<u>(346)</u>
Institute of Museum and Library Services:			
Pass-Through NYS Department of Education:			
Grants to States	45.310		<u>13,870</u>
Total Institute of Museum and Library Services			<u>13,870</u>

(Continued)

COUNTY OF ONONDAGA, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Program Title</u>	<u>CFDA #</u>	<u>Pass-Through Grantor ID #</u>	<u>Federal Expenditures</u>
U.S. Environmental Protection Agency:			
Pass-Through NYS Department of Health:			
State Indoor Radon Grants	66.032	T027073	3,218
State Indoor Radon Grants	66.032	C022169	<u>1,150</u>
Total State Indoor Radon Grants			<u>4,368</u>
Pass-Through NYS Environmental Facilities Corporation:			
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458		<u>1,158,900</u>
Total U.S. Environmental Protection Agency			<u>1,163,268</u>
U.S. Department of Education:			
Pass-Through Syracuse City School District:			
Special Education Grants to the States (IDEA, Part B)	84.027		50,146
Pass-Through Department of Health:			
Special Education - Grants for Infants and Families	84.181	C027495	<u>209,116</u>
Total U.S. Department of Education			<u>259,262</u>
U.S. Election Assistance Commission:			
Direct Program:			
Help America Vote Act Requirements Payments	90.401		<u>439,009</u>
Total U.S. Election Assistance Commission			<u>439,009</u>
U.S. Department of Health and Human Services:			
Direct Programs:			
Comprehensive Community Mental Health Svcs. for Children with Serious Emotional Disturbances	93.104		<u>1,385,671</u>
Healthy Start Initiative	93.926		<u>834,788</u>
Voting Access for Individuals with Disabilities - Grants to States	93.617		<u>(27,790)</u>
Pass-Through National Association of County and City Health Officials:			
Medical Reserve Corps Small Grant Program	93.008	MRC 1120	2,068
Medical Reserve Corps Small Grant Program	93.008	MRC 1220	4,492
Medical Reserve Corps Small Grant Program	93.008	MRC 13-0020-C	6,033
Medical Reserve Corps Small Grant Program	93.008	MRC 14-0020	<u>3,500</u>
Total Medical Reserve Corps Small Grant Program			<u>16,093</u>
Pass-Through NYS Office of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150		<u>439,298</u>
Pass-Through NYS Office for the Aging:			
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		<u>23,489</u>
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		359,182
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		647,756
Nutrition Services Incentive Program	93.053		<u>236,871</u>
Total Aging Cluster			<u>1,243,809</u>
Special Program for the Aging, Title IV and Title II, Discretionary Projects	93.048		<u>64,000</u>

(Continued)

COUNTY OF ONONDAGA, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Program Title</u>	<u>CFDA #</u>	<u>Pass-Through Grantor ID #</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued):			
Pass-Through NYS Office for the Aging (Continued):			
National Family Caregiver Support, Title III, Part E	93.052		<u>217,973</u>
Medicare Enrollment Assistance Program	93.071		<u>11,596</u>
Affordable Care Act - Maternal, Infant and Early Childhood Home Visiting Program	93.505		<u>356,348</u>
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		<u>18,369</u>
Pass-Through NYS Department of Family Assistance:			
Child Support Enforcement	93.563		<u>2,271,091</u>
Refugee and Entrant Assistance - Voluntary Agency Programs	93.567		<u>1,766,024</u>
Low-Income Home Energy Assistance	93.568		<u>11,668,969</u>
Child Care and Development Block Grant	93.575		<u>13,174,450</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645		<u>590,360</u>
Foster Care - Title IV-E	93.658		<u>5,589,130</u>
Adoption Assistance	93.659		<u>3,225,553</u>
Social Services Block Grant	93.667		<u>2,755,435</u>
Chafee Foster Care Independence Program	93.674		<u>206,856</u>
Temporary Assistance for Needy Families	93.558		<u>43,435,213</u>
Pass-Through NYS Department of Health:			
Temporary Assistance for Needy Families	93.558	C028081	<u>161,682</u>
Total Temporary Assistance for Needy Families			<u>43,596,895</u>
Immunization Cooperative Agreements	93.268	028306	<u>104,099</u>
Children's Health Insurance Program	93.767	C027842	<u>1,001</u>
Expanded Partner Services	93.940	4724-01	<u>51,631</u>
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	C027658A	38,676
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	T028064	2,835
Preventive Health Services - Sexually Transmitted Disease Control Grants	93.977	C027977	<u>135,466</u>
Total Preventative Health Services - Sexually Transmitted Disease Control Grants			<u>176,977</u>

(Continued)

COUNTY OF ONONDAGA, NEW YORK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Program Title</u>	<u>CFDA #</u>	<u>Pass-Through Grantor ID #</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued):			
Pass-Through NYS Department of Health (Continued):			
Preventive Health and Health Services Block Grant	93.991	C026674	7,409
Preventive Health and Health Services Block Grant	93.991	C023001	<u>12,344</u>
Total Preventive Health and Health Services Block Grant			<u>19,753</u>
Maternal and Child Health Services Block Grant to the States	93.994	C023001	13,460
Maternal and Child Health Services Block Grant to the States	93.994	C026674	17,825
Maternal and Child Health Services Block Grant to the States	93.994	C026523	<u>83,492</u>
Total Maternal and Child Health Services Block Grant to the States			<u>114,777</u>
Pass-Through Health Research, Inc.:			
Public Health Emergency Preparedness	93.069	15-0687-01	37,324
Public Health Emergency Preparedness	93.069	C026523	<u>(3,959)</u>
Total Public Health Emergency Preparedness			<u>33,365</u>
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreement	93.074		<u>102,825</u>
Pass-Through NYS Office of Alcohol and Substance Abuse Services:			
Block Grant for Prevention and Treatment of Substance Abuse	93.959		<u>1,906,181</u>
Pass-Through NYS Office of Mental Health:			
Medical Assistance Program	93.778		523,000
Pass-Through NYS Department of Health:			
Medical Assistance Program	93.778		<u>444,003,662</u>
Total Medical Assistance Program			<u>444,526,662</u>
Total U.S. Department of Health and Human Services			<u>536,465,678</u>
U.S. Department of Homeland Security and Emergency Services:			
Pass-Through NYS Division of Homeland Security and Emergency Services:			
Emergency Management Performance Grants	97.042		<u>12,250</u>
Interoperable Emergency Communications	97.055		<u>321,500</u>
Homeland Security Grant Program	97.067		362,016
Homeland Security Grant Program	97.067	C176505	28,210
Homeland Security Grant Program	97.067	C191515	248,834
Homeland Security Grant Program	97.067	C192529	51,908
Homeland Security Grant Program	97.067	C834500	17,368
Homeland Security Grant Program	97.067	C834503	181,845
Homeland Security Grant Program	97.067	C972110	358,262
Homeland Security Grant Program	97.067	C972120	153,198
Homeland Security Grant Program	97.067	C972130	<u>61,441</u>
Total Homeland Security Grant Program			<u>1,463,082</u>
Total U.S. Department of Homeland Security and Emergency Services			<u>1,796,832</u>
Total Expenditures of Federal Awards			\$ 565,991,292

The accompanying notes are an integral part of these statements.

COUNTY OF ONONDAGA, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2014

1. BASIS OF PRESENTATION

Pass-Through Programs

Where the County of Onondaga, New York (the County) receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Catalog of Federal Domestic Assistance (CFDA) number when advised by the pass through grantor. Identifying numbers, other than CFDA numbers, which may be assigned by pass-through grantors, are not maintained in the County's financial management system. County management has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards (SEFA).

Non-Monetary Federal Programs

The County is awarded financial assistance programs that do not result in cash receipts or disbursements, termed "non-monetary programs." During the fiscal year ended December 31, 2014, the County distributed \$6,598,256 of Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) food instruments to eligible persons participating in the WIC Program (CFDA 10.557), \$11,025,707 of energy assistance to eligible persons under the Low-Income Home Energy Assistance Program (CFDA 93.568) and \$434,873,999 of medical goods and services were received by eligible persons participating in the Medical Assistance Program (CFDA 93.778), as listed in the accompanying schedule.

2. BASIS OF ACCOUNTING

The SEFA is presented on the modified accrual basis of accounting and the amounts presented are derived from the County's general ledger. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the SEFA up to such amounts. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures as prior years.

3. INDIRECT COSTS

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

4. MATCHING COSTS

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

5. SUBRECIPIENTS

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

<u>Federal Programs with Subrecipients</u>	<u>CFDA</u>	<u>Amount</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 81,100
Highway Planning and Construction	20.205	1,137,051
Metropolitan Transportation Planning	20.505	198,760
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	13,941
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	288,349
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	677,540
National Family Caregiver Support, Title III, Part E	93.052	213,113
Nutrition Services Incentive Program	93.053	233,705
Projects for Assistance in Transition for Homelessness	93.150	439,298
Child Support Enforcement	93.563	555,905
Block Grant for Prevention and Treatment of Substance Abuse	93.959	1,904,472

COUNTY OF ONONDAGA, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiencies identified?

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 deficiencies identified?

yes none reported

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

Unmodified

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

yes no

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

- The dollar threshold to determine Type A programs was \$3,000,000. The major federal programs of the County for the year ended December 31, 2014 were as follows:

U.S. Department of Agriculture

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

U.S. Department of Transportation

- Highway Planning and Construction (20.205)

U.S. Department of Health and Human Services

- Low-Income Home Energy Assistance (93.568)
 - Adoption Assistance (93.659)
 - Temporary Assistance for Needy Families (93.558)
 - Medical Assistance Program (93.778)
- The County was not considered a low-risk auditee for the year ended December 31, 2014.

Part II - Findings and Questioned Costs Relating to Federal Awards

Reference: 2014-001

U.S. Department of Health and Human Services

Pass-through entities: NYS Department of Family Assistance

Adoption Assistance 93.659

Onondaga County Department of Social Services

Program Year: 2014

Criteria:

According to OMB Circular A-133 Part III Eligibility para. (2) (g), once a child is determined eligible to receive Title IV-E adoption assistance, he or she remains eligible and the subsidy continues until the age of 18 (or 21, if the IV-E agency determines that the child has a mental or physical disability which warrants the continuation of assistance).

Internal controls should provide reasonable assurance that the County complies with eligibility requirements according to OMB Circular A-133.

Cause/Condition:

The County's current policies and procedures are not operating effectively to ensure the LDSS 2970 Authorization Forms (Authorization Forms) are retained in accordance with policies and procedures. In 8 of 40 cases tested, the Authorization Forms were not retained.

Current policies and procedures are not operating effectively to ensure the County claims all available Title IV-E funding for those cases deemed eligible. This occurred in 8 of 40 cases tested.

- In 2 of these 8 instances, the Level of Difficulty rate used did not agree to the adoption subsidy agreement resulting in the County not claiming all eligible Title IV-E funding.
- In 5 of these 8 instances, Title IV-E fund claiming was discontinued while the case remained eligible.
- In 1 of these 8 instances, as a result of missing medical information, Title IV-E funding was not claimed, despite the permanent nature of the disabled child.

Current policies and procedures are not operating effectively to ensure the County only claims Title IV-E funding for those cases deemed eligible. This occurred in 4 of 40 cases tested.

- In 2 of these 4 instances, the Level of Difficulty rate used did not agree to the adoption subsidy agreement resulting in known questioned costs of \$1,111.
- In 1 of these 4 instances, the case file was missing proper medical information to support disabled status, resulting in known questioned costs of \$7,958.
- In 1 instance, the County failed to properly identify when a child turned 18 years old, resulting in known questioned costs of \$210.

In 2 of 40 cases tested, there was a lack of evidence to demonstrate the County's attempt to make contact with the adopted parent via certification letters and/or telephone.

Part II - Findings and Questioned Costs Relating to Federal Awards (Continued)

Reference: 2014-001 (Continued)

Questioned Costs:

\$9,279 known questioned costs.

Effect:

The County was not in compliance with eligibility requirements in accordance with OMB Circular A-133 resulting in questioned costs.

Recommendation:

We recommend that the County reinforce existing policies and procedures that require a review of eligibility determination be made to ensure claims for Title IV-E funding are done for all eligible cases and claims are properly discontinued when a case is no longer eligible. In addition, the County should retain all LDSS 2970 Authorization Forms and document evidence to support efforts were made to contact adopted parents.

Management's Response:

After the 2013 audit, the Department instituted a number of changes to address the errors identified. The most significant change was the creation and implementation of an electronic case tracking system for the subsidy work. This application has increased significantly our ability to manage cases receiving subsidies. We believe the implementation of this tracking has led to improved oversight of the program.

For the 2014 audit, the specific cases the Department acknowledges as errors were the result of human error. During the year, the supervisor of the area will conduct periodic trainings with staff to reinforce correct interpretations of standards, and will conduct periodic case reviews to determine whether calculations are performed correctly.

The Department respectfully contests the above exception with questioned costs of \$7,958. The case involves a youth with significant disabilities who turned age 18. Most errors involve some action either not taken, missing documentation to substantiate a decision, or an incorrect decision. The issue with this finding appears to be more one of judgment. The explanation is as follows.

The regulations state, once a child is determined eligible to receive Title IV-E Adoption Assistance, s/he remains eligible and the assistance continues until:

- The child reaches age 18 and is hard-to-place, or
- The child reaches age 21 if the social services district determines that the child has a mental or physical disability that warrants the continuation of federal assistance, or
- The LDSS/ACS determines that the adoptive parents are no longer legally responsible for the support of the child or if the LDSS/ACS determines that the child is no longer receiving any support from parents.

Part II - Findings and Questioned Costs Relating to Federal Awards (Continued)

Reference: 2014-001 (Continued)

Management's Response (Continued):

The regulations further indicate that a redetermination of eligibility is needed, and go on to make a distinction between "handicapped" children and "hard to place" children. The steps for redetermination for "hard to place" are explicit. However, no specific steps are found in the regulations with respect to documentation requirements for "handicapped" children.

The child in the test case was a handicapped child. According to our review of his records, his condition which included subclinical ADHD, adjustment disorder with mixed disturbance of emotions and conduct, oppositional-defiant disorder were permanent in nature. Therefore, in our judgment, his condition met the regulatory criteria for continued 4-E eligibility.

Auditor's Response:

Based upon review of the contested case, the finding is valid. The case file included no indication that this child had been determined to be permanently disabled thus warranting the continuation of Title IV-E assistance without updated medical information following the child reaching age 18. As such, the child was determined to not be eligible for Title IV-E assistance.

Reference: 2014-002
U.S. Department of Health and Human Services
Pass-through entities: NYS Department of Family Assistance
Low-Income Home Energy Assistance 93.568
Onondaga County Department of Social Services
Program Year: 2014

Criteria:

According to OMB Circular A-133, Part III Eligibility, para. (1), assistance may only be provided to a) households in which one or more individuals receive Temporary Assistance for Needy Families ("TANF"), Supplemental Security Income ("SSI") or Supplemental Nutrition Assistance Program ("SNAP") benefits, or other certain needs-tested veterans benefits; or b) households with incomes which do not exceed the greater of 150 percent of the State's established poverty level, or 60% of the State median income.

According to OMB Circular A-133, Part III Activities Allowed or Unallowed, para. (1), funds may be used to assist eligible households to meet the costs of home energy, i.e. heating or cooling their residences (42 USC 8621(a) and 8624(b)(1)).

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

Cause/Condition:

The County's current policies and procedures are not operating effectively to ensure individuals fall within the income guidelines for receiving assistance. The following deficiency was noted during testing

- In 4 of 40 cases tested, the recipient's income was calculated incorrectly, however, the benefit amount was correct as the recipients were still classified in the correct tier.

Questioned Costs:

None.

Effect:

The County was not in compliance with OMB Circular A-133 requirements resulting in known questioned costs of less than \$10,000.

Recommendation:

We recommend that the County review its existing policies and procedures over eligibility and activities allowed or unallowed as it specifically relates to the calculation of benefit amounts. We recommend that policies and procedures be developed, documented and implemented that require benefit amount calculations to be reviewed by a supervisor to ensure accuracy.

Part II - Findings and Questioned Costs Relating to Federal Awards (Continued)

Reference: 2014-002 (Continued)

Management's Response:

The Onondaga County HEAP/ Energy Assistance Unit is committed to providing heating assistance benefits to those applicants in need in a timely, efficient and accurate manner. The recent introduction of the online application procedures as well as other methods that have eased the client's application process has resulted in increased applications in an already small window of processing time. Policy and procedure are constantly under review internally to better accomplish the task presented. Recent changes in training methods, Supervisor- worker communication and streamlining of local procedures have shown positive results.

The Audit findings indicate there are oversight errors as well as policy errors that have occurred. The following will be implemented to address those errors;

- New staff and staff in need of reinforcement of HEAP policy will attend the State provided HEAP worker trainings this fall.
- Audit findings will continue to be discussed at HEAP season preparation meetings for workers to take place in September and November.
- Some of the errors cited can be attributed to the high volume of work presented in a relatively small window of time. Special attention in trainings will be focused on this and how to overcome it with self-review and fact checking.
- Recent changes in the approach to Supervisor-Worker communication will enable the management team to respond more quickly to areas in need of attention.

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

Reference: 13-01

Status: Management has taken corrective action.

Reference: 13-02

Status: See current year finding 2014-001.

Reference: 13-03

Status: See current year finding 2014-002.

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

April 13, 2015

To the Honorable County Executive, Joanne M. Mahoney, Honorable Members
of the County Legislature and Honorable County Comptroller Robert E.
Antonacci
County of Onondaga, New York:

We have audited, 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Onondaga, New York (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 13, 2015. Our report includes a reference to other auditors who audited the financial statements of Onondaga County Community College, Onondaga Civic Development Corporation and Friends of the Rosamond Gifford Zoo as described in our report on County of Onondaga, New York's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Friends of the Rosamond Gifford Zoo were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financing Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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(Continued)

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

(Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free from 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.