

LONG ISLAND CARES, INC.
OMB CIRCULAR A-133
SUPPLEMENTARY FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

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I N D E X

| | <u>Page</u> |
|--|--------------------|
| Schedule of Expenditures of Federal Awards | 1 |
| Notes to Schedule of Expenditures of Federal Awards | 2 |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 4 |
| Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance in Accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards | 6 |
| Schedule of Findings and Questioned Costs | 9 |
| Summary Schedule of Prior Audit Findings | 10 |

LONG ISLAND CARES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

| <u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u> | <u>CFDA #</u> | <u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u> | <u>TOTAL FEDERAL EXPENDITURES</u> |
|--|----------------------|--|--|
| Major Programs: | | | |
| U.S. Department of Agriculture through State of New York Office of General Services: | | | |
| The Emergency Food Assistance Program (Food Commodities) | 10.569 | Unavailable | \$ 659,913 |
| U.S. Department of Agriculture through New York State Department of Health: | | | |
| The Hunger Prevention Nutrition Assistance Program (HPNAP) | 93.558 | C-021257 | <u>372,327</u> |
| Total Major Programs | | | <u>1,032,240</u> |
| Non-Major Programs: | | | |
| U.S. Department of Agriculture through State of New York Office of General Services: | | | |
| The Emergency Food Assistance Program (Administrative Cost) | 10.568 | Unavailabe | 129,133 |
| U.S. Department of Homeland Security | | | |
| The Emergency Food and Shelter National Board Program | 97.024 | N/A | <u>12,200</u> |
| Total Non-Major Programs | | | <u>141,333</u> |
| Total Federal Expenditures | | | <u>\$ 1,173,573</u> |

LONG ISLAND CARES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(1) **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by Long Island Cares, Inc. (the "Organization"), an entity as defined in Note 1 to the Organization's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed-through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

(2) **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the general purpose financial statements.

(3) **Indirect Costs**

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

(4) **Matching Costs**

Matching costs (i.e. the Organization's share of certain program costs) are not included in the reported expenditures.

(5) **Major Program Determination**

The Organization has determined that federal programs with expenditures of \$300,000 or more are Type A Programs and deemed Major Programs for the purposes of the Schedule of Expenditures of Federal Awards.

(6) **Subrecipients**

Of the federal expenditures presented in the schedule, Long Island Cares, Inc. provided federal awards to subrecipients as follows:

| <u>Program Title</u> | <u>Federal CFDA Number</u> | <u>Amount Provided to Subrecipients</u> |
|--|--------------------------------|---|
| The Emergency Food Assistance Program (Food Commodities) | 10.569 | \$659,913 |
| The Hunger Prevention Nutrition Assistance Program (HPNAP) | 93.558 | \$372,327 |



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INDEPENDENT AUDITORS' 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 Board of Directors of
Long Island Cares, Inc.:

We have audited the financial statements of Long Island Cares, Inc. as of and for the year ended December 31, 2008 and have issued our report thereon dated March 13, 2009. 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 Long Island Cares, Inc.'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 Long Island Cares, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Long Island Cares, Inc.'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 organization'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 organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

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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 organization's internal control.

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

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

Melville, New York
March 13, 2009

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INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM, INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors of
Long Island Cares, Inc.:

Compliance

We have audited the compliance of Long Island Cares, Inc. 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, 2008. Long Island Cares, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Long Island Cares, Inc.'s management. Our responsibility is to express an opinion on Long Island Cares, Inc.'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 Long Island Cares, Inc.'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 Long Island Cares, Inc.'s compliance with those requirements.

In our opinion, Long Island Cares, Inc. 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, 2008.

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Internal Control Over Compliance

The management of Long Island Cares, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Long Island Cares, Inc.'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 Long Island Cares, Inc.'s internal control over compliance.

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.

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Schedule of Expenditures of Federal Awards

We have audited the financial statements of Long Island Cares, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated March 13, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. 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 financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Long Island Cares, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Long Island Cares, Inc.'s response and, accordingly, we express no opinion on it.

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

Melville, New York
March 13, 2009

Nawrocki Smith LLP

LONG ISLAND CARES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements were reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs were reported.
5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs that are required to be reported in accordance with section 510(a) of OMB Circular A-133, were disclosed during the audit.
7. The programs tested as major programs were as follows:

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|---|
| 10.569 | U.S. Department of Agriculture - The Emergency Food Assistance Program (Food Commodities) |
| 93.558 | U.S. Department of Agriculture - The Hunger Prevention Nutrition Assistance Program |

8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. The auditee was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None reported.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None reported.

LONG ISLAND CARES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE: There were no audit findings in the prior year audit's Schedule of Findings and Questioned Costs relative to federal awards.