

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
— 2010 Program Year Funding—

ACTIVITY NAME: Saratoga Youth Court

APPLICANT: The Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

MAILING ADDRESS: 36 Phila St.,
Saratoga Springs, NY Zip: 12866

PHONE: 518-581-1230 FAX: 518-581-1240 EMAIL: judy@preventioncouncil.org

CONTACT PERSON: Judy Ekman TITLE: Executive Director

APPLICANT (*select 1*): City Department Private non-profit organization Other
Public Agency

(List Dept.)

14-1626662

(List Federal ID #)

(Specify)

868568957

(DUNS #)

NATIONAL OBJECTIVE (*select 1*):

“Benefit persons of Low/moderate income
Need”

“Address slum/blight Conditions”

“Urgent CD

L/M Income Area Benefit
Need

“N/A” Slum/blighted Area

“N/A” Urgent

L/M Income Limited Clientele Activities

Slum/blighted Spot Basis

L/M Income Housing Activities

“N/A” Urban Renewal Completion

L/M Income Job Creation/Retention

REQUESTED ENTITLEMENT FUNDING: \$20,000

Funding Leveraged from Other Sources: \$66,400

Total Activity Cost: \$86,400

Proposal Abstract – please provide a **brief** overview of your proposal **including the number of persons that will be served** with this grant in the space below:

The Prevention Council will implement the Youth Court program in the city of Saratoga Springs, with an emphasis on serving low and moderate income neighborhoods in two ways: by recruiting and training resident

youth to serve as officers, and by providing community service projects within the neighborhoods and the community agencies that serve them.

In addition to the 66 Saratoga and Saratoga School District youth currently participating in the program, 12 young people from low and moderate income neighborhoods will join as officers. A minimum of 900 hours of community service will be provided within the city, increasing youth perception that the community disapproves of illegal behavior. As part of their community service, officers and appropriate offenders will provide law-related education and training for elementary age children in after school programming in order to entice them to participate in Youth Court in the future.

Saratoga County Youth Court is a peer to peer sentencing court, whose goal is to address early anti-social, delinquent, and criminal behavior in order to prevent youth crime and recidivism. Youth Court requires first time criminal offenders between 8 and 18 to face a court hearing run entirely by teenagers, and serve a sentence involving community service, jury duty and a variety of other penalties. Offenders under 16 are referred to the program by Saratoga County Family Court, and those 16 and over from municipal courts. Court officers are secondary school age youth who have received 18 hours of training; approximately 10% of them are former offenders. Youth Court provides a service learning program that attracts many officers to law-related and public service careers.

Youth Court is the only program in Saratoga Springs or the county addressing this population. It is the only way a first time offender under 16 can experience the impact of a court hearing or participate in community service as restitution. The program gives youth over 15 the second chance to avoid carrying the record of a crime into their future, and forces them to personally experience the consequences of their crime.

Youth Court serves 300 youth per year county-wide. Of these, 66 are from Saratoga Springs or the immediately surrounding communities which fall within the school district. While the ultimate goal of the program is to prevent youth crime, the immediate focus of this proposal is increase the number of officers who are residents of designated low & moderate income areas in the city, ultimately reducing the number of offenders from these neighborhoods as well. The program will continue to serve all youth from Saratoga Springs regardless of their income.



(Authorized Signature)

Executive Director
(Title)

Judith A. Ekman

(Typed or Printed Name)

January 28, 2010

(Date)

Please respond in writing to each of the following (add additional pages as necessary):

1. ACTIVITY DESCRIPTION

A) Youth Court is an ongoing program that has a proven track record of successful outcomes. This proposal will expand the program to target low and moderate income neighborhoods in Saratoga Springs by recruiting youth to participate as officers and to provide community service to sites in these areas. This will be of mutual benefit to the community and the youth in the program.

B) Youth Court meets two needs for the city of Saratoga Springs: 1) decrease the percentage of youth who believe that the community, parents and peers approve of anti-social behavior and 2) increase the opportunities for low income youth to participate in significant community service.

1) In the most recent Prevention Needs Assessment Survey, given to all youth in the Saratoga Springs school district, between 53% and 74% of high school age youth believe that they receive rewards from peers for antisocial behavior, and 54%-61% think that their parents approve of antisocial behavior, (shoplifting, vandalism, fighting). This result is concerning, because such beliefs contribute to drug use, school dropout, teen pregnancy and delinquency. Youth Court participation changes this attitude. Therefore, increasing the numbers of youth involved in the program will impact both teens and younger children within the targeted neighborhoods and the city as a whole.

2) Youth benefit greatly from significant community service. Increasing the numbers of youth court officers in targeted neighborhoods will increase the amount of community service youth provide. These youth will also serve as good role models for younger children in the neighborhoods.

Youth Court is the only program addressing young offenders or providing middle and high school students with the opportunity to participate in the legal system of Saratoga County as decision makers. While there are

other opportunities for community service, there are no other programs which give youth the level of responsibility that comes with being a Youth Court officer.

C3) This program primarily benefits a limited clientele, that being middle and high school aged youth in census block areas with more than 50% low/moderate income populations. However, a reduction in youth crime, coupled with an increase in youth community service will benefit all residents of these neighborhoods and the larger population of the city.

D) By November 30, 2010, 12 additional youth from low to moderate areas of the city will be certified as Youth Court officers and jurors, having successfully completed 18 hours of training.

Throughout the funding period, a minimum of 500 additional hours of community service will be performed within the neighborhoods or in programs that primarily serve the residents of these areas. This community service will include one series on law related education for children in after school programming, in order to build their excitement about Youth Court.

E) Timeline

| Task | Start | Complete | Process | Results |
|---|-------|----------|--|--|
| Recruit new officers | 9/10 | 11/10 | Work with school personnel to identify likely participants; use current officers to contact their peers. | 12 new officers will participate in November training. |
| Train officers | 11/10 | 12/10 | Provide transportation to State Farm where training is held. | 12 youth will complete 2 day training. |
| Provide law educ. at after school program | 1/11 | 4/11 | Work with after school program personnel at schools and community sites to arrange law series; train youth to help teach; provide program. | 18 children will express interest in becoming part of Youth Court. |
| Provide community service | 7/10 | 6/11 | Work with community agencies to supervise individual service; provide group service in the neighborhoods at public and fraternal settings. | 500 additional hours of community service will be completed |
| Provide ongoing sentencing hearings | 7/10 | 6/11 | Court hearings will be provided using trained officers. | Officers will participate in sentencing hearings at least monthly, with transportation provided as needed. |

F) No additional approvals are required. The Court and Prevention Council have ongoing relationships with all partners including the courts, schools, and community agencies and fraternal organizations.

2. ORGANIZATIONAL CAPACITY

A) The Alcohol and Substance Abuse Prevention Council of Saratoga County is a not for profit agency which provides comprehensive prevention services to schools and communities within and beyond Saratoga County, NY. It is the result of the 1996 merger of two agencies, which were incorporated in 1975 and 1979 respectively, and have actively served the community for 35 years. The agency is the only licensed substance drug abuse and problem gambling prevention provider in Saratoga County. In order to maintain this status, it must provide effective outcome based programs and services. The Prevention Council also provides crime, delinquency, violence and bullying prevention, including DWI prevention and intervention services.

A list of the Board of Directors is attached as Appendix 4.

The agency has not received funding from the city of Saratoga Springs. We do receive in-kind service from the Police Department, Fire Department, City Court, mayor's office and city departments for various initiatives in addition to Youth Court, including DWI Victim Impact Panels, the Partnership for Prevention, underage drinking prevention programs, and other programs serving the city and its residents.

B) Saratoga County Youth Court has successfully provided services within the city and throughout the county for 12 years. In 2005, we received the Spirit of Justice Award from the Saratoga County Bar Association. The agency has provided leadership in the NYS Youth Court Association, and numerous other communities have come to us for training in setting up similar programs. In 2009, we trained youth at Saratoga Springs High School to provide a peer court for students who are facing suspension because of offenses in school. This court sentences 9th and 10th graders; of the 10 youth who faced the peer court last spring, 9 did not reoffend.

C) The program manager is Lisa Chamberlain, who has been the Court Director for 8 years. She is supervised by Patty Kilgore, LCSW, Clinical Director of the Prevention Council, who has supervised Youth Court for 3 years, and for the past 20 years has supervised the Student Assistance Program and other intervention services, as well as teaching courses for young offenders throughout the county.

The financial manager is David Garmley who has worked for the agency for 2 years. The agency has an annual independent audit, and the Board of Directors receives detailed monthly financial reports. All positions are on-going; however, this award may determine the amount of time Lisa Chamberlain works in 2010-11.

D) Other partners include the following, listed by role. All are ongoing partners.

- Referral of offenders – Saratoga County Family Court through Saratoga County Probation Department; the Saratoga Springs, Wilton, Greenfield, Malta, Milton and Town of Saratoga municipal courts as well as courts from other towns in Saratoga County.
- Officer Recruitment – Saratoga Springs City School District personnel, including attendance officer Dave Torres; Franklin Community Center; Saratoga Springs Police Department, particularly Investigator and Resource Officer John Kelly;
- Community Service sites and supervision – Economic Opportunity Council, Franklin Community Center, The Saratoga Spa State Park, Saratoga Children's Museum, Saratoga Springs YMCA, NYS Military Museum, Saratoga Springs Police Department and PBA, and Saratoga Hospital are ongoing partners; other agencies and organizations will be encouraged to participate.
- After school program sites: Franklin Community Center, Saratoga Springs City School District, Saratoga YMCA.

3. ACTIVITY BUDGET – (ATTACHMENTS 1, 2)

A) Include attached budgets (Attachments 1, 2) as appropriate. Depending on the activity, the applicant may need to submit one or both of the attached budget forms. More detailed budgets may be attached (and are recommended) in support of the proposal. If an architect, engineer, or other personnel have conducted a cost analysis, attach a copy noting the author and date of analysis.

- PROGRAM OPERATING BUDGET (Attachment 1) – for all proposals including public service projects and construction/site development projects
- CONSTRUCTION/SITE DEVELOPMENT BUDGET (Attachment 2) – for construction/site development projects

B) Identify the amount and sources of leveraged funding for this activity. Include the status of these funds (i.e. cash on hand, grants received, planned fund-raising, etc.). Attach copies of funding commitment letters or other evidence of funding support.

4. MONITORING OF FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS – (ATTACHMENT 3)

The City of Saratoga Springs is responsible for ensuring that subrecipients expend awards in accordance with applicable laws, regulations, and provisions of contracts and grant.

- A) In accordance with OMB Circular A-133, please complete Attachment 3 and include it with your application.
- B) During your last fiscal year, if your organization expended more than \$500,000 in total federal financial awards (including CDBG and all other federal assistance), please include a copy of your latest Single Audit Report with this application.

(ATTACHMENT 1)

PROGRAM OPERATING BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

| | ENTITLEMENT GRANT | Leveraged Funds* | Total Activity Cost | *Source of leveraged Funds and In-Kind Services |
|------------------------------|----------------------|---------------------|------------------------|---|
| PERSONNEL | | | | |
| Salaries | 15,750 | 49,950 | 65,700 | Municipalities, school districts, other agency funds, fund raising |
| Fringe | 2900 | 9,000 | 11,900 | same |
| Other (consultants, etc.) | | | | |
| <i>Subtotal</i> | 18650 | 58,950 | 77,600 | |

| | | | | |
|-----------------------|------|------|------|-------------------------------|
| OVERHEAD | | | | |
| Advertising/Marketing | 150 | 200 | 350 | Other agency funds |
| Program Supplies | 350 | 500 | 850 | Service clubs |
| Rent & Utilities | | 5000 | 5000 | Other agency funds |
| Other - list below | | | | |
| Travel | 550 | 300 | 850 | municipalities |
| postage | 300 | 450 | 750 | Citizen contributions |
| telephones | | 1000 | 1000 | Municipalities, contributions |
| <i>Subtotal</i> | 1350 | 7450 | 8800 | |

| | | | |
|-------------------|--------|--------|-------|
| TOTAL COST | 20,000 | 66,400 | 86400 |
|-------------------|--------|--------|-------|

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133
MONITORING OF FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS

ORGANIZATION: THE ALCOHOL AND SUBSTANCE ABUSE PREVENTION COUNCIL OF SARATOGA COUNTY, INC.

MAILING ADDRESS: 36 PHILA ST., SARATOGA SPRINGS, NY 12866

FEDERAL ID #: 14-1626662 PHONE: 518-581-1230 FAX: 518-581-1240

DUNS #: 868568954

1. Please identify your fiscal year (mth/yr to mth/yr): January - December

Please identify below the funding received during your last fiscal year:

2. Community Development Block Grant Entitlement Funding (CDBG):

CDBG Activity Name: none

CDBG Funding Program Year: CDBG Funding Amount:

3. Other Federal Financial Awards (cash & non-cash):

| GIVE NAME & CATALOG OF FEDERAL FINANCIAL ASSISTANCE (CFDA) # | AMOUNT OF AWARDS |
|--|------------------|
| US DEPARTMENT OF HEALTH AND HUMAN SERVICES <u>93.959</u> | <u>\$512,697</u> |
| DRUG FREE COMMUNITIES PROGRAM, SAMHSA <u>93.276</u> | <u>\$125,000</u> |
| US DEPARTMENT OF EDUCATION <u>84.186</u> | <u>\$14,626</u> |

4. During your last fiscal year, has your organization expended more than \$500,000 in total federal financial awards (incl. CDBG & all other federal assistance)? YES * NO

* If "yes", include a copy of your latest Single Audit Report with this completed and signed form as part of your application. If you answered "no", please complete, sign and return this form.

5. Are you aware of any financial audit violations, findings or questioned costs relating to any activity funded with federal financial assistance? YES * NO

* If "yes", please describe:

6. Other Saratoga County Awards (cash & non-cash):

IDENTIFY PROGRAM NAME & YEAR OF AWARD

IDENTIFY AMOUNT OF CO. AWARDS

| | |
|--|--------|
| SARATOGA COUNTY COMMUNITY SERVICES BOARD | 15,008 |
| SARATOGA COUNTY STOP DWI | 73050 |
| SARATOGA COUNTY OFFICE OF MENTAL HEALTH (PROGRAM DISCONTINUED IN 2010) | 41595 |
| SARATOGA COUNTY YOUTH BUREAU | 12,019 |



Authorized Signature

1/28/2010
Date

Attachment 4
Prevention Council Board of Directors

Michael Smith, President
Principal, Orenda Elementary School
Shenendehowa Central School District
5 Chelsea Pl.
Clifton Park, NY 12065
W: 881-0600 x 68302
FAX: 881-0636
H: 884-4032
smitmich@shenet.org

Gregory S. Burns, Vice President & Treasurer
Information Architect
KAPL, Inc., Lockheed Martin
H: 306 Caroline St.
Saratoga Springs, NY 12866
H: 587-5265 W: 884-1920
burnsgs@verizon.net

Judith M. Tirelli, Secretary
Teacher Assistant, Saratoga Springs HS
(H) 2 Evergreen Dr.
Wilton, NY 12831
H: 587-5568
W: 587-6690 x 3525 FAX: 583-1671
jtirell1@nycap.rr.com

Michael Elmo
Student, Skidmore College
Skidmore College
815N Broadway
Saratoga Springs, NY
melmo@skidmore.edu

Richard Ferguson,
Vice President, Saratoga National Bank
(H) 468 Franklin Street
Ballston Spa, NY 12020
(518) 584 -5844 (W)
584-1107 (Fax)
fergstar@spa.net

Barbara Ferraro, CSW
Social Worker
27 Evergreen Drive
Saratoga Springs, NY 12866
(518) 583-0417
(518) 899-4974
Bferraro43@gmail.com

Michelle Granger, Esq.
Granger Law, LLC
22 Russell Road
Greenfield Center 12833
(o) 232-3066; (h) 893-2295
mwg220@nycap.rr.com

Casey Irving
Special Programs, Skidmore College
4 Bryan St., Apt. #2
Saratoga Springs, NY 12866
Fax: 580-5668
casey.irving@gmail.com

Derrick LeGall
Administrative Services Team Manager, State
Farm Insurance
100 State Farm Pl, Ballston Spa, NY 12020
(W) 884-5401 Fax: 884-6876
derrick.legall.bhw2@statefarm.com

Douglas C. Mills
City Court Judge, retired
dcm1446@aol.com

James A. Murphy, III
Saratoga County District Attorney
25 W. High St.
Ballston Spa, NY 12020
W: 885-2263; Fax: 884-4474
Cell: 858-3128
sarda1@govt.co.saratoga.ny.us

David Semo, CASAC
Assistant Director, Pupil Services
North Colonie Central School District
475 Watervliet-Shaker Rd.
Latham, NY 12025
H: 1296 Hermance Rd.
Broadalbin, NY 12025
W: 785-1341 x 4523 Cell: 605-3037
dsemo@ncolonie.org

**ALCOHOL & SUBSTANCE ABUSE PREVENTION
COUNCIL OF SARATOGA COUNTY, INC.**

Financial Statements
and
Single Audit Reports

December 31, 2008

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

YEAR ENDED DECEMBER 31, 2008

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LUBBE & HOSEY, PC

CERTIFIED PUBLIC ACCOUNTANTS

Suite 305
187 Wolf Road
Albany, New York 12205
(518) 454-9355
FAX (518) 454-9332

Members:
American Institute of
Certified Public Accountants

New York State Society of
Certified Public Accountants

Steven J. Lubbe, CPA
Thomas W. Hosey, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Alcohol and Substance Abuse Prevention
Council of Saratoga County, Inc.:

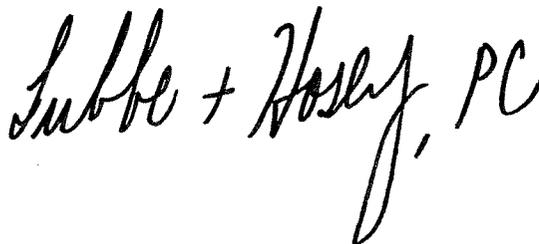
We have audited the accompanying statement of financial position of Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc. (the "Council") (a nonprofit agency) as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc. as of December 31, 2008, and the change in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated July 17, 2009, on our consideration of Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," 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.



Albany, New York
July 17, 2009

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Statement of Financial Position

December 31, 2008

| <u>ASSETS</u> | |
|---|------------------|
| Cash | \$ 55,872 |
| Accounts receivable: | |
| Governmental contracts | 143,647 |
| Fees for service | 42,956 |
| Prepaid expenses | 16,335 |
| Equipment, furniture, and leasehold improvements, net (note 3) | <u>4,843</u> |
| Total assets | <u>\$263,653</u> |
| <u>LIABILITIES AND NET ASSETS</u> | |
| Accounts payable and accrued expenses | 22,890 |
| Payroll and related, and compensated absences payable | 46,228 |
| Deferred revenue | <u>62,028</u> |
| Total liabilities | <u>131,146</u> |
| Commitments and contingent liabilities (note 6) | |
| Net assets: | |
| Unrestricted | 129,009 |
| Temporarily restricted (note 4) | <u>3,498</u> |
| Total net assets | <u>132,507</u> |
| Total liabilities and net assets | <u>\$263,653</u> |

See accompanying notes to financial statements.

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Statement of Activities

Year ended December 31, 2008

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|------------------|
| Revenues and other support: | | | |
| Governmental contracts | \$1,192,490 | - | 1,192,490 |
| Fees for service | 292,494 | - | 292,494 |
| Contributions/public support | 18,763 | 3,000 | 21,763 |
| Special event, net expenses of \$21,123 | 42,144 | - | 42,144 |
| Net assets released from restrictions | <u>16,025</u> | <u>(16,025)</u> | <u>-</u> |
| Total revenues and other support | <u>1,561,916</u> | <u>(13,025)</u> | <u>1,548,891</u> |
| Expenses: | | | |
| Program services | 1,252,155 | - | 1,252,155 |
| Management and general | <u>201,492</u> | <u>-</u> | <u>201,492</u> |
| Total expenses | <u>1,453,647</u> | <u>-</u> | <u>1,453,647</u> |
| Change in net assets | 108,269 | (13,025) | 95,244 |
| Net assets, beginning of year | <u>20,740</u> | <u>16,523</u> | <u>37,263</u> |
| Net assets, end of year | <u>\$ 129,009</u> | <u>3,498</u> | <u>132,507</u> |

See accompanying notes to financial statements.

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Statement of Functional Expenses

Year ended December 31, 2008

| | <u>Program Services</u> | <u>Support Services</u> | |
|--|-------------------------------------|-----------------------------------|------------------|
| | <u>Prevention and Education</u> | <u>Management and General</u> | <u>Total</u> |
| Salaries | \$ 811,653 | 90,184 | 901,837 |
| Payroll taxes | 60,271 | 6,697 | 66,968 |
| Fringe benefits | <u>64,399</u> | <u>7,225</u> | <u>71,624</u> |
| Total salaries and related expenses | 936,323 | 104,106 | 1,040,429 |
| Media and advertising | 127,407 | 1,018 | 128,425 |
| Program materials | 66,974 | - | 66,974 |
| Professional fees | - | 10,230 | 10,230 |
| Contractual services | 27,363 | - | 27,363 |
| Payroll processing | - | 1,565 | 1,565 |
| Office supplies | 12,774 | 12,771 | 25,545 |
| Expendable equipment | 2,242 | 249 | 2,491 |
| Telephone | 3,608 | 401 | 4,009 |
| Internet connections | - | 1,019 | 1,019 |
| Postage | 5,324 | 592 | 5,916 |
| Rent | 12,266 | 36,799 | 49,065 |
| Utilities | 1,638 | 4,915 | 6,553 |
| Office cleaning | - | 3,507 | 3,507 |
| Insurance | - | 6,823 | 6,823 |
| Equipment rental and maintenance | 2,381 | 7,526 | 9,907 |
| Printing | 9,298 | - | 9,298 |
| Travel | 26,334 | 2,926 | 29,260 |
| Conferences and training | 13,246 | 1,472 | 14,718 |
| Interest | - | 3,580 | 3,580 |
| Dues and subscriptions | 1,722 | 191 | 1,913 |
| Miscellaneous | <u>-</u> | <u>1,440</u> | <u>1,440</u> |
| Total expenses before depreciation and amortization | 1,248,900 | 201,130 | 1,450,030 |
| Depreciation and amortization | <u>3,255</u> | <u>362</u> | <u>3,617</u> |
| Total expenses | <u>\$1,252,155</u> | <u>201,492</u> | <u>1,453,647</u> |

See accompanying notes to financial statements.

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Statement of Cash Flows

Year ended December 31, 2008

| | |
|---|-------------------------|
| Cash provided from (used for) operations: | |
| Change in net assets | \$ 95,244 |
| Adjustment to reconcile change in net assets to cash provided from operations: | |
| Depreciation and amortization | 3,617 |
| Changes in operating assets and liabilities: | |
| Accounts receivable | (39,634) |
| Prepaid expenses | (380) |
| Accounts payable and accrued expenses | (12,291) |
| Payroll and related, and compensated absences payable | 17,140 |
| Deferred revenue | <u>(18,082)</u> |
| Cash provided from operations | <u>45,614</u> |
| Cash provided from (used for) financing activities: | |
| Proceeds from line of credit | 149,500 |
| Payments on line of credit | <u>(149,500)</u> |
| Cash provided from financing activities | <u>-</u> |
| Increase in cash | 45,614 |
| Cash, beginning of year | <u>10,258</u> |
| Cash, end of year | \$ <u><u>55,872</u></u> |
| Supplemental Information: | |
| Interest paid | \$ <u><u>3,580</u></u> |

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2008

(1) Organization and Summary of Significant Accounting Policies

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc. (the "Council") was incorporated in the State of New York during 1981. The Council's primary purpose is to provide education, information and referral services on the subjects of alcohol, tobacco, and other drug and violence prevention to enhance the quality of life for all citizens by diminishing the adverse effects of substance abuse and violence. Services are principally performed within northeastern New York State. The Council is primarily supported through governmental grants. The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Contributions qualify for the charitable contribution deduction for individual donors.

The Council's financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, The Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, if any.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as future confirming events occur.

Significant accounting policies followed by the Council in preparation of its financial statements are presented below:

(a) Revenue Recognition

Revenue is recognized on governmental contracts to the extent actual expenditures have been incurred in compliance with the specific contract requirements. Cash received prior to expenditures incurred or services provided is recorded as deferred revenue.

Periodically, the Council's governmental contracts provide for the purchase of capital assets. The cost of capital assets purchased with contract funds are capitalized (see note 1(b)). Capital assets purchased with contract funds gives use to the Council subject to accountability requirements and the right to transfer title.

Donor restricted contributions/public support are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Council reports the support as unrestricted.

(Continued)

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Notes to Financial Statements (Continued)

(1) Organization and Summary of Significant Accounting Policies (Continued)(a) Revenue Recognition (Continued)

Fees for service, including government fees and contracts, are recognized as revenue over the period covered by the billing. Fees for service accounts receivable represent amounts due for services from customers. No allowance for doubtful accounts was deemed necessary by management at December 31, 2008.

(b) Equipment, Furniture, and Leasehold Improvements

Equipment, furniture and leasehold improvements are recorded at cost at date of acquisition or fair value at date of donation. The Council's policy is to capitalize fixed asset expenditures with a unit value greater than \$1,000 and a useful life greater than one year. Depreciation is computed under the straight-line method over the estimated useful life of assets (3 to 7 years). Leasehold improvements are amortized over the estimated life of the improvements or the term of the lease, whichever is shorter. Expenditures for normal repairs and maintenance are charged to expense as incurred.

When units of property are disposed of, their cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to operations.

(c) Functional Expenses

Expenses are charged to program services and supporting services classifications based upon direct expenses incurred. Expenses not directly chargeable are allocated based upon time records and on estimates made by the Council's management.

(d) Media and Advertising Costs

Media and advertising costs are expensed as incurred. These costs totaled \$128,425 during the year ended December 31, 2008.

(2) Related Party Transaction

The William B. Reed Foundation (the "Foundation") is a not-for-profit entity organized to raise funds for the Council. During 2008, the Foundation contributed \$1,325 to the Council. There was no inter-entity accounts receivable or accounts payable at December 31, 2008.

A summary of Foundation financial data as of and for the year ended December 31, 2008 follows:

| | <u>Financial Position</u> | <u>Activities</u> | |
|-------------|-------------------------------|----------------------|-----------|
| | | Revenues | \$ 32 |
| Assets | <u>\$7,696</u> | Expenses | (1,875) |
| Liabilities | - | | |
| Net assets | <u>7,696</u> | Change in net assets | \$(1,843) |
| | <u>\$7,696</u> | | |

(Continued)

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Notes to Financial Statements (Continued)

(3) Equipment, Furniture, and Leasehold Improvements

Equipment, furniture, and leasehold improvements are summarized as follows:

| | |
|---|-----------------|
| Equipment | \$ 39,624 |
| Furniture and fixtures | 7,302 |
| Leasehold improvements | <u>17,259</u> |
| | 64,185 |
| Less accumulated depreciation and amortization | <u>(59,342)</u> |
| | <u>\$ 4,843</u> |

(4) Temporarily Restricted Net Assets

Donor restrictions of temporarily restricted net assets at December 31, 2008 are as follows:

| | |
|------------------------|----------------|
| Strengthening families | <u>\$3,498</u> |
|------------------------|----------------|

(5) Cafeteria Plan

The Council provides a cafeteria plan to allow its employees to elect to receive nontaxable fringe benefits in lieu of taxable compensation as permitted by Section 125 of the Internal Revenue Code. The plan is a salary reduction/fringe benefit plan and is available to all employees who meet certain eligibility criteria.

(6) Commitments and Contingent LiabilitiesSpace Rental

The Council rents its office in Saratoga Springs, New York, under a lease agreement expiring December 2011. The Council is substantially responsible for all normal repairs and maintenance expenses under this lease. Rent expense totaled \$49,065 during 2008.

The approximate minimum rental commitments under the aforementioned lease as of December 31, 2008 are as follows:

| | |
|------|---------------|
| 2009 | \$50,047 |
| 2010 | 51,048 |
| 2011 | <u>52,069</u> |

This lease agreement may be renewed for a term not to exceed five years ending December 2016.

Equipment Rental

The Council leased equipment under lease agreements which expired December 2008. The Council incurred rent expense under these leases of \$2,554 in 2008.

(Continued)

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Notes to Financial Statements (Continued)

(6) Commitments and Contingent Liabilities (Continued)Equipment Rental (Continued)

During April 2009, the Council executed an equipment lease expiring April 2012. Minimum lease commitments as of December 31, 2008 are as follows:

| | |
|------|------------|
| 2009 | \$1,315 |
| 2010 | 1,973 |
| 2011 | 1,973 |
| 2012 | <u>658</u> |

Contract Programs

The Council participates in a number of contract programs. These programs are subject to financial and compliance audits by the contractors or their representatives. Accordingly, the Council's compliance with applicable contract requirements may be established at some future date. The amount of expenditures which may be disallowed by the contracting agencies cannot be determined at this time although management expects such amounts, if any, to be immaterial.

Line of Credit

The Council has available a bank line of credit of \$150,000 to meet short-term financial requirements if borrowing becomes necessary. There were no amounts outstanding under this line of credit at December 31, 2008. When used, interest on the outstanding principal balance is computed daily at a rate equal to 0.5% above the bank's base lending rate (total rate of 5.25% at December 31, 2008). The line of credit required no compensating balances or payment of a commitment fee.

The line of credit constitutes a business commitment and is subject to continued creditworthiness and review by the lending bank. It is anticipated that a similar line of credit will be maintained in the future.

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2008

| <u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u> | <u>Federal CFDA Number</u> | <u>Identifying Number</u> | <u>Federal Expenditures</u> |
|---|----------------------------|---------------------------|-----------------------------|
| United States Department of Health and Human Services (DHHS): | | | |
| Pass-through Saratoga County Mental Health Clinic Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 205430 | \$512,697 |
| Direct Program Drug-Free Communities Support Program Grants | 93.276 | H79 SP012345 | <u>102,515</u> |
| Subtotal - DHHS | | | 615,212 |
| United States Department of Education: | | | |
| Pass-through New York State Office of Alcoholism and Substance Abuse Services Safe and Drug-Free Schools and Communities - State Grants | 84.186 | T000944 | <u>14,626</u> |
| Total federal expenditures | | | <u>\$629,838</u> |

See accompanying notes to schedule of expenditures of federal awards and independent auditor's report.

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2008

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc. (the "Council"), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Subrecipients

The Council did not subcontract with other organizations using federal awards during 2008.

(3) Noncash Assistance

The Council did not expend federal awards in the form of noncash assistance during the year ended December 31, 2008.

(4) Insurance

The Council did not participate in any federal insurance programs as of December 31, 2008.

(5) Loans and Loan Guarantees

The Council had no federal loans or federal loan guarantees outstanding as of December 31, 2008.

(6) Matching Costs

The accompanying Schedule of Expenditures of Federal Awards does not include matching costs.

(7) Audits by Other Auditors

There were no audits by other auditors of the Council's federal award programs during 2008.

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Summary Schedule of Prior Audit Findings

Year ended December 31, 2008

There were no prior year findings or questioned costs.

LUBBE & HOSEY, PC

CERTIFIED PUBLIC ACCOUNTANTS

Suite 305
187 Wolf Road
Albany, New York 12205
(518) 454-9355
FAX (518) 454-9332

Steven J. Lubbe, CPA
Thomas W. Hosey, CPA

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

Members:
American Institute of
Certified Public Accountants

New York State Society of
Certified Public Accountants

Board of Directors

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.:

We have audited the financial statements of Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc. (the "Council") (a nonprofit agency) as of and for the year ended December 31, 2008, and have issued our report thereon dated July 17, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 the Council'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 Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council'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 Council'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 Council's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control.

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

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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, the Board of Directors, others within the Council, 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.

Albany, New York
July 17, 2009

Subbe + Hasey, PC

LUBBE & HOSEY, PC

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REPORT ON COMPLIANCE WITH REQUIREMENTS

Steven J. Lubbe, CPA APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
Thomas W. Hosey, CPA OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.:

Compliance

We have audited the compliance of Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc. (the "Council") (a nonprofit agency) 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 its major federal program for the year ended December 31, 2008. The Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Council's management. Our responsibility is to express an opinion on the Council's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 Council'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 Council's compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Council 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 the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

(Continued)

A control 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 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 Council'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 Council'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 Council'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 or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Albany, New York
July 17, 2009

Subbe + Hoseny, PC

Alcohol and Substance Abuse Prevention Council of Saratoga County, Inc.

Schedule of Findings

Year ended December 31, 2008

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Non-compliance material to financial statements noted? yes no

Federal Awards:

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(s) identified that are not considered to be material weaknesses? yes 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 OMB Circular A-133? yes no

Identification of Major Program:

| <u>CFDA Number</u> | <u>Federal Program</u> |
|--------------------|--|
| 93.959 | Block Grants for Prevention and Treatment of Substance Abuse |

Dollar threshold used to distinguish between Type A and B programs: \$300,000

Auditee qualified as low-risk auditee yes no

Financial Statement Findings

There were no current year findings or questioned costs required to be reported herein.

Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs required to be reported herein.