

**COUNTY OF STEUBEN, NEW YORK**

**State Transportation Assistance Expended  
For the Year Ended  
December 31, 2017**

# COUNTY OF STEUBEN, NEW YORK

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43**

August 29, 2018 (Except for the Schedule of State Transportation Assistance Expended, as to which the date is July 10, 2018)

To the Board of Legislators of the  
County of Steuben, New York:

**Report on Compliance of the State Transportation Assistance Program**

We have audited the County of Steuben, New York's (the County's) compliance with the types of compliance requirements described in Draft Part 43 of the New York State Codification of Rules and Regulations (NYSCR) that could have a direct and material effect on the County's state transportation assistance program tested for the year ended December 31, 2017. The County's State Transportation Assistance program tested is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state awards applicable to its state transportation assistance programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the County's state transportation assistance program tested 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 the audit requirements of Draft Part 43 of NYSCR. Those standards and Draft Part 43 of NYSCR 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 the state transportation assistance program tested occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the state transportation assistance program tested. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on State Transportation Assistance 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 its state transportation assistance program tested for the year ended December 31, 2017.

171 Sully's Trail  
Pittsford, New York 14534  
p (585) 381-1000  
f (585) 381-3131

[www.bonadio.com](http://www.bonadio.com)

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43**

(Continued)

**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 the state transportation assistance program tested to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the state transportation assistance program tested and to test and report on internal control over compliance in accordance with Draft Part 43 of NYSCR, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state transportation assistance 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 state transportation assistance program will not be prevented, or detected and corrected, on a timely basis. *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 state transportation assistance 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.

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

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 Draft Part 43 of NYSCR. Accordingly, this report is not suitable for any other purpose.

(Continued)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE  
TRANSPORTATION ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE  
EXPENDED REQUIRED BY DRAFT PART 43**

(Continued)

**Report on Schedule of Expenditures of State Transportation Assistance Expended Required  
by Draft Part 43 of NYSCRR**

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 10, 2018, 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 County's basic financial statements. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYSCRR and is not a required part of the 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 basic 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 state transportation assistance expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

**COUNTY OF STEUBEN, NEW YORK**

**SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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<u>Program Title</u>	<u>NYSDOT Contract/ Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Program (CHIPS)	N/A	\$ 4,429,818
CHIPS - PAVE NY	N/A	1,011,150
CHIPS – Extreme Winter Recovery (EWR)	N/A	642,569
Marchicelli Program / State Bridge Aid	D034652, D035382, D035511	16,298
Section 5311 - Formula Grants	C003877	201,000
State Operating Assistance (STOA)	C003788 (6795.35.304, 6795.35.304)	45,122
State Operating Assistance (STOA)	C003788 (6795.36.304)	10,905
State Operating Assistance (STOA)	C003788 (6795.80.104, 6795.82.104)	<u>5,892</u>
		<u>\$ 6,362,754</u>

The accompanying notes are an integral part of this schedule.

## **COUNTY OF STEUBEN, NEW YORK**

### **NOTES TO THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED DECEMBER 31, 2017**

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#### **1. GENERAL**

The accompanying Schedule of State Transportation Assistance Expended of the County of Steuben, New York (the County) presents the expenditures of all financial assistance programs provided by the New York State Department of Transportation.

#### **2. BASIS OF ACCOUNTING**

The accompanying Schedule of State Transportation Assistance Expended is presented in conformity with accounting principles generally accepted in the United States.

#### **3. INDIRECT COSTS**

Indirect costs are included in the reported expenditures to the extent they are included in the New York State financial reports used as the source for the data presented.

#### **4. MATCHING COSTS**

Amounts identified as Marchicelli Program - State Bridge Aid represent matching costs for the federally aided programs.

## **COUNTY OF STEUBEN, NEW YORK**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017**

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#### **A. SUMMARY OF AUDITOR'S RESULTS**

1. Internal control over state transportation assistance expended:
  - No material weaknesses or significant deficiencies were reported.
2. The independent auditor's report on compliance for state transportation assistance expended for the County expressed an unmodified opinion and did not disclose any material noncompliance with the state transportation program tested.
3. The program tested was:
  - Consolidated Local Street and Highway Improvement Program (CHIPS)

#### **B. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

There were no current year findings and there were no prior year findings.

#### **C. COMPLIANCE FINDINGS AND QUESTIONED COSTS**

There were no current year findings.