

**COUNTY OF STEUBEN, NEW YORK**

**State Transportation Assistance Expended  
For the Year Ended  
December 31, 2011**

# COUNTY OF STEUBEN, NEW YORK

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

July 27, 2012

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

**Compliance**

We have audited the County of Steuben, New York's (the County's) compliance with the types of compliance requirements described in the Draft Part 43 of the New York State Codification of Rules and Regulations (NYSCRR) that could have a direct and material effect on the County's state transportation assistance program tested for the year ended December 31, 2011. The program tested is 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 the program tested is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Draft Part 43 of NYSCRR. Those standards and Draft Part 43 of NYSCRR 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its state transportation assistance program tested for the year ended December 31, 2011.

**Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state transportation assistance programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on the state transportation assistance program tested to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Draft Part 43 of NYSCRR, 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.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(Continued)

**Internal Control Over Compliance (Continued)**

*A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a state 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 program will not be prevented, or detected and corrected, on a timely basis.

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

**Schedule of State Transportation Assistance Expended**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2011, and have issued our report thereon dated July 27, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of state transportation assistance expended is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, Board of Legislators, others within the entity, New York State Department of Transportation, federal awarding agencies, and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

**COUNTY OF STEUBEN, NEW YORK**

**SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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<u>Program Title</u>	<u>NYS DOT Contract/ Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Program (CHIPS)	001-01/001-02	\$ 3,688,392
Snow and Ice Control on State Highways - Indexed Lump Sum	002-02	756,273
Marchiselli Program - State Bridge Aid	020/5120HA	311,414
State Transit Operating Assistance Program	003/563000	285,532
State Transit Operating Assistance Program	003/563000	265,736
Federal ISTE A Program	5020HD	170,764
Marchiselli Program - State Bridge Aid	020/5120HD	28,905
Federal ISTE A Program	5120H9	22,647
Federal ISTE A Program	5120HA	<u>20,965</u>
		<u>\$ 5,550,628</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, 2011**

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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 STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2011**

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#### **A. SUMMARY OF AUDITORS' RESULTS**

1. Internal control over state transportation assistance expended:
  - No material weaknesses were identified.
2. The independent auditors' report on compliance for state transportation assistance expended for the County expressed an unqualified 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.