



# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

March 1, 2013

The Erie County Legislature  
92 Franklin Street  
Buffalo, New York 14202

Honorable Mark C. Poloncarz  
Erie County Executive  
95 Franklin Street  
Buffalo, New York 14202

Dear Honorable Members and County Executive Poloncarz:

Enclosed is an audit report of the County of Erie's Times Beach Public Access Project for the period May 20, 2005 to December 31, 2010. The audit was required by contract number C361272 between the Erie County Department of Environment and Planning and the New York State Office of Parks, Recreation and Historic Preservation (NYSOPRHP).

A copy of this report will be filed with NYSOPRHP.

If you have any questions pertaining to this report, please contact me at extension 7674.

Very truly yours,

Thomas R. Hersey, Jr.  
Deputy Commissioner  
Department of Environment and Planning

#### Enclosures

cc: Maria R. Whyte, Commissioner - Department of Environment and Planning  
Robert Keating, Director - Budget and Management

**COUNTY OF ERIE,  
NEW YORK**

**Times Beach Public Access Project  
Contract No. C361272**

*Statement of Contract Revenues and Contract  
Expenditures, and Supplemental Schedules for the  
Period May 20, 2005 to December 31, 2010  
and Independent Auditors' Reports*

**COUNTY OF ERIE, NEW YORK**  
**Times Beach Public Access – Contract No. C361272**  
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**For the Period May 20, 2005 to December 31, 2010**

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

New York State Office of Parks, Recreation  
and Historic Preservation

Honorable County Legislature  
County of Erie, New York

RE: Contract Number C361272

We have audited the accompanying statement of project revenues and expenditures of the Times Beach Public Access Project for the period May 20, 2005 to December 31, 2010 pursuant to Contract Number C361272 described in Note 1, between the County of Erie (the "County") and New York State Office of Parks, Recreation and Historic Preservation ("NYS OPRHP") dated July 8, 2005 and amended January 21, 2010 and November 26, 2010. This financial statement is the responsibility of the management of the County. Our responsibility is to express an opinion on this statement based on our audit.

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. 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of project revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the accompanying financial statement was prepared to present the project revenues and contract expenditures related to the Times Beach Public Access Project under Contract Number C361272, and is not intended to be a complete financial statement presentation prepared in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the project revenues and expenditures of the County's Times Beach Public Access Project under Contract Number C361272, dated July 8, 2005 and amended January 21, 2010 and November 26, 2010, between the County and NYS OPRHP, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012, on our consideration of the County's internal control over financial reporting as it pertains to Contract Number C361272, and 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 the 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 made for the purpose of forming an opinion on the financial statement taken as a whole. The schedule of project expenditures by vendors and schedule of revenues by source on pages 6 and 7, respectively, are presented for the purpose of additional analysis and are not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.

This report is intended solely for the information of the County and NYS OPRHP in connection with Contract Number C361272 and should not be used for any other purpose.



November 19, 2012

**COUNTY OF ERIE, NEW YORK**  
**Times Beach Public Access Project—Contract No. C361272**  
**Statement of Contract Revenues and Contract Expenditures**  
**For the Period May 20, 2005 to December 31, 2010**

	<u>Budgeted</u>	<u>Actual</u>
<b>REVENUES:</b>		
Contract Number C361272 (State share)	\$ 350,000	\$ 266,658
Matching funds (County's share)	<u>350,000</u>	<u>266,658</u>
Total revenues	<u>700,000</u>	<u>533,316</u>
<b>EXPENDITURES:</b>		
Pre-development costs:		
Architecture	<u>79,829</u>	<u>78,132</u>
Total pre-development costs	<u>79,829</u>	<u>78,132</u>
Development costs:		
Construction of trails, bird blinds, overlook, boardwalks, signs, fencing	<u>579,264</u>	<u>416,609</u>
Total development costs	<u>579,264</u>	<u>416,609</u>
Planning & administration costs:		
Administration	<u>40,907</u>	<u>38,575</u>
Total planning and administration costs	<u>40,907</u>	<u>38,575</u>
Total expenditures	<u>700,000</u>	<u>533,316</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Statement of Contract Revenues and Contract Expenditures.

**COUNTY OF ERIE, NEW YORK**  
**Times Beach Public Access Project—Contract No. C361272**  
**Notes to the Statement of Contract Revenues and Contract Expenditures**  
**For the Period May 20, 2005 to December 31, 2010**

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**1. Contract Description**

Contract Number C361272 dated July 8, 2005 and amended January 21, 2010 and November 26, 2010 is an agreement between the County of Erie, New York (the "County") and the New York State Office of Parks, Recreation and Historic Preservation ("NYS OPRHP"). The contract provides for NYS OPRHP to reimburse the County for up to 50% (maximum of \$350,000) of the budgeted \$700,000 of eligible project expenditures, as listed in Appendix B in the original contract. The Times Beach Public Access Project is a collaborative effort, with the US Army Corps of Engineers conducting ecosystem restoration; Erie County, in cooperation with the City of Buffalo, providing public access; and the Times Beach ad hoc Committee serving in an advisory capacity. Project highlights include elevated boardwalks, ground-level paths, bird watching blinds, overlook platforms and a bulletin-board style information kiosk.

**2. Basis of Accounting and Accounting Policies**

The statement of contract revenues and contract expenditures has been prepared on the accrual basis of accounting.

Revenue recognition—Contract and matching revenue is recognized when project expenditures are incurred in compliance with the terms of the contract, irrespective of the filing of claims for reimbursement of actual cash receipts.

Development expenditures—Development costs are recognized when incurred and have been recorded as contract expenditures in the financial statement in accordance with the contract terms, rather than being capitalized.

Use of estimates—The eligible expenses are subject to review by NYS OPRHP upon submission of required detail information and proof of payment. Management is required to determine the allowable expenses under the contract, and generally consults with NYS OPRHP in matters of judgment; however, the final determination of allowable expenses will be made by NYS OPRHP upon final submission of project costs.

**3. NYS OPRHP Contract Revenue**

The following schedule presents the contract revenue recognized as of December 31, 2010 as cash received from NYS OPRHP based on payment requisitions.

Revenue - Contract No. C361272,	\$ 266,658
Cash receipts - Contract No. C361272 (received August 28, 2008)	<u>266,658</u>
Unreimbursed costs at December 31, 2010	<u>\$ -</u>

#### **4. Contingencies**

The eligible expenses are subject to review by NYS OPRHP upon submission of required detailed information and proof of payment. Management is required to determine the allowable expenses under the contract, and generally consults with NYS OPRHP in matters of judgment. However, the final determination of allowable expenses will be made by NYS OPRHP upon final submission of project costs.

**COUNTY OF ERIE, NEW YORK**  
**Times Beach Public Access Project—Contract No. C361272**  
**Schedule of Project Expenditures by Vendors**  
**For the Period May 20, 2005 to December 31, 2010**

<u>Contractor/Vendor Name</u>	<u>Description</u>	<u>A</u> <u>Total donated</u> <u>value</u>	<u>B</u> <u>Total paid</u> <u>amount</u>
<b>Pre-development:</b>			
Peter J. Smith & Company, Inc.	Architecture	\$ -	\$ 78,132
<b>Total pre-development costs:</b>		<u>-</u>	<u>78,132</u>
<b>Development:</b>			
Buffalo Wholesale Lock Co., Inc.	Development	-	84
Corcraft	Project Sign	-	83
Paul J. Gallo Contracting, Inc.	Construction	-	416,442
<b>Total development costs:</b>		<u>-</u>	<u>416,609</u>
<b>Administration costs:</b>			
Buffalo News	Legal Notices	-	1,773
Erie County	Wage Expense	-	36,802
<b>Total administration costs:</b>		<u>-</u>	<u>38,575</u>
Totals of A & B			<u>\$ 533,316</u>
<b>Grand Total (A plus B)</b>			<u>\$ 533,316</u>

**COUNTY OF ERIE, NEW YORK**  
**Times Beach Public Access Project—Contract No. C361272**  
**Schedule of Revenues by Source**  
**For the Period May 20, 2005 to December 31, 2010**

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**A. Source of Matching Funds**

County of Erie - Capital Projects Fund	\$ 266,658
Sub-Total A	<u>266,658</u>

**B. Source of Other Revenues**

OPRHP Grant Contract # C361272	<u>266,658</u>
Sub-Total B	<u>266,658</u>

<b>Grand Total (A plus B)</b>	<b><u>\$ 533,316</u></b>
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*Certified Public Accountants*

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

New York State Office of Parks, Recreation  
and Historic Preservation

Honorable County Legislature  
County of Erie, New York

RE: Contract Number C361272

We have audited the accompanying statement of contract revenues and contract expenditures of the County of Erie's Times Beach Public Access Project for the period May 20, 2005 to December 31, 2010 pursuant to Contract Number C361272 described in Note 1, between the County of Erie, New York (the "County") and the New York State Office of Parks, Recreation and Historic Preservation ("NYS OPRHP") and have issued our report thereon dated November 19, 2012. 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**

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement of contract revenues and contract expenditures for Contract Number C361272 of the County, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

*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 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.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, 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 the statement of contract revenues and contract expenditures for Contract Number C361272 of the County's Times Beach Public Access Project is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants as they pertain to Contract Number C361272, 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 test 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 the County Legislature, management of the County, and NYS OPRHP in connection with Contract Number C361272 and is not intended to be and should not be used by anyone other than these specified parties.

 David E. Malin LLP

November 19, 2012