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# County of Erie

MARK C. POLONCARZ  
COMPTROLLER

October 5, 2011

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

Honorable Christopher C. Collins  
Erie County Executive  
95 Franklin Street  
Buffalo, New York 14202

Dear Honorable Members and County Executive Collins:

Enclosed are copies of Erie County's New York State Department of Transportation (NYSDOT) Single Audit Reports for the years ended December 31, 2010 and 2009. These reports are required pursuant to Draft Part 43 of the New York State Codification of Rules and Regulations.

Copies of these reports have been filed with the Contract Audit Bureau of the NYSDOT.

If you have any questions pertaining to this report, please call Paul Stachnik of this Office at Ext. 6286.

Very truly yours,

Lorne H. Steinhart  
Deputy Erie County Comptroller

LHS/nr

Enclosures

c: Gregory G. Gach, Director of Budget and Management  
Gerard J. Sentz, P.E., Commissioner of Public Works  
Erie County Audit Committee Members

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# County of Erie, New York

Schedule of New York State Transportation  
Assistance Expended for the Year Ended  
December 31, 2009 and Independent Auditors' Report

# COUNTY OF ERIE, NEW YORK

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND CONTROLS OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable County Executive  
Honorable County Comptroller  
Members of the County Legislature  
County of Erie, New York

### **Compliance**

We have audited the compliance of the County of Erie, New York (the "County") with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended December 31, 2009. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each program tested is the responsibility of County's management. Our responsibility is to express an opinion on County's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has 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 County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its state transportation assistance programs tested for the year ended December 31, 2009.

### **Internal Control Over Compliance**

The 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 tested. In planning and performing our audit, we considered County's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance programs tested in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants, that would be material in relation to state transportation assistance programs tested, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of State Transportation Assistance Expended**

We have audited the financial statements of the County as of December 31, 2009 and for the year then ended, and have issued our report thereon dated September 24, 2010. Our audit was performed for the purpose of forming an opinion on the County's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, and is not a required part of the general purpose 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 financial statements taken as a whole. This report is intended solely for the information and use of the County's management and the New York State Department of Transportation. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 24, 2010 (September 30, 2011 as to compliance and internal control over compliance)

**COUNTY OF ERIE, NEW YORK**

**SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Program Title	NYS Contract/Ref. Number	Expenditures
Consolidated Local Street and Highway Improvement Program (CHIPS)	M530000	\$ 7,473,662
Marchicelli/Bond Match for Federal Aid Highway Projects (Highway and Bridge Reconstruction Projects):		
Wehrle Drive	D011613	1,146,640
North Forest Road	D012300	32,116
Seneca Rail Road Bridge	D012333	5,182
Glen Avenue Bridge	D012334	20,338
Cemetery Road Bridge	D012343	14,250
Maple Road	D012344	970
Pavement Road Bridge	D013877	11,876
Como Park Boulevard	D017683	365,827
Youngs/Aero Intersection	D017935	4,545
Maple Road	D022003	45,435
Freeman Road Bridge	D022005	23,854
Wehrle/Harris Hill Intersection	D022084	2,479
Colvin Signals	D022322	936
Parkview Road Bridge	D031735	<u>118,121</u>
 Total Highway and Bridge Reconstruction Projects		 <u>1,792,569</u>
 Total New York State Transportation Assistance Expended		 <u>\$ 9,266,231</u>

See notes to schedule of state transportation assistance expended.

# COUNTY OF ERIE, NEW YORK

## NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2009

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### 1. General

The accompanying Schedule of State Transportation Assistance Expended of the County of Erie, New York presents the activity of all financial assistance programs provided by the New York State Department of Transportation.

### 2. Basis of Accounting

The accompanying Schedule of State Transportation Expended is presented using the accrual basis of accounting.

### 3. Matching Costs

Amounts identified as Marchicelli/Bond Match for Federal Aid Highway Projects represent matching costs for Federally aided projects.

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# COUNTY OF ERIE, NEW YORK

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2009

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### SUMMARY OF AUDIT RESULTS

#### Summary of Audit Results:

Internal control over state transportation assistance expended:

Material weakness(es) identified No

Reportable condition(s) identified that are not considered to be material weakness(es)? None reported

Type of auditors' report issued on compliance for programs tested: Unqualified

Summary of Audit Findings: N/A

Identification of State Transportation Assistance Programs Tested:

Name

- Consolidated Local Street and Highway Improvement Program (CHIPS)
- Marchicelli/Bond Match for Federal Aid Highway Projects (Highway and Bridge Reconstruction Projects)

#### Compliance Findings and Questioned Costs:

No matters were reported.

# County of Erie, New York

Schedule of New York State Transportation  
Assistance Expended for the Year Ended  
December 31, 2010 and Independent Auditors' Report

# COUNTY OF ERIE, NEW YORK

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND CONTROLS OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable County Executive  
Honorable County Comptroller  
Members of the County Legislature  
County of Erie, New York

### Compliance

We have audited the compliance of the County of Erie, New York (the "County") with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended December 31, 2010. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each program tested is the responsibility of County's management. Our responsibility is to express an opinion on County's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has 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 County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its state transportation assistance programs tested for the year ended December 31, 2010.

### Internal Control Over Compliance

The 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 tested. In planning and performing our audit, we considered County's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance programs tested in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants, that would be material in relation to state transportation assistance programs tested, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of State Transportation Assistance Expended**

We have audited the financial statements of the County as of December 31, 2010 and for the year then ended, and have issued our report thereon dated June 30, 2011. Our audit was performed for the purpose of forming an opinion on the County's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, and is not a required part of the general purpose 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 financial statements taken as a whole. This report is intended solely for the information and use of the County's management and the New York State Department of Transportation. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

June 30, 2011 (September 30, 2011 as to compliance and internal control over compliance)

# COUNTY OF ERIE, NEW YORK

## SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2010

Program Title	NYS DOT Contract/Ref. Number	Expenditures
Consolidated Local Street and Highway Improvement Program (CHIPS)	M530000	\$ 7,517,944
Marchicelli/Bond Match for Federal Aid Highway Projects (Highway and Bridge Reconstruction Projects):		
Wehrle Drive	D011613	1,216,445
North Forest Road	D012300	1,452
Seneca Rail Road Bridge	D012333	15
Cemetery Road Bridge	D012343	68,714
Maple Road	D012344	3,360
East Robinson/North French	D013856	23,618
Pavement Road Bridge	D013877	9,960
Como Park Boulevard	D017683	124,731
Youngs/Aero Intersection	D017935	7,333
Maple Road	D022003	440
Freeman Road Bridge	D022005	71,768
Parkview Road Bridge	D031735	<u>162,733</u>
Total Highway and Bridge Reconstruction Projects		<u>1,690,569</u>
Total New York State Transportation Assistance Expended		<u>\$ 9,208,513</u>

See notes to schedule of state transportation assistance expended.

# COUNTY OF ERIE, NEW YORK

## NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2010

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### 1. General

The accompanying Schedule of State Transportation Assistance Expended of the County of Erie, New York presents the activity of all financial assistance programs provided by the New York State Department of Transportation.

### 2. Basis of Accounting

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# COUNTY OF ERIE, NEW YORK

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2010

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### SUMMARY OF AUDIT RESULTS

#### Summary of Audit Results:

Internal control over state transportation assistance expended:

Material weakness(es) identified No

Reportable condition(s) identified that are not considered to be material weakness(es)? None reported

Type of auditors' report issued on compliance for programs tested: Unqualified

Summary of Audit Findings: N/A

Identification of State Transportation Assistance Programs Tested:

Name

- Consolidated Local Street and Highway Improvement Program (CHIPS)
- Marchicelli/Bond Match for Federal Aid Highway Projects (Highway and Bridge Reconstruction Projects)

#### Compliance Findings and Questioned Costs:

No matters were reported.