



## COUNTY OF ERIE

**DAVID J. SHENK  
COMPTROLLER**

August 30, 2012

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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 a copy of Erie County's New York State Department of Transportation (NYSDOT) Single Audit Report for the year ended December 31, 2011. This report is required pursuant to Draft Part 43 of the New York State Codification of Rules and Regulations.

A copy of this report has been filed with the NYSDOT's Contract Audit Bureau.

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

Very truly yours,

David J. Shenk  
Erie County Comptroller

DJS/nr

Enclosure

c: Robert W. Keating, Director of Budget and Management  
John Loffredo, P.E., Commissioner of Public Works  
Erie County Audit Committee Members

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**COUNTY OF ERIE,  
NEW YORK**

*New York State Department of Transportation  
Financial Assistance Schedules as of and for the  
Year Ended December 31, 2011 and  
Independent Auditors' Report*

**COUNTY OF ERIE, NEW YORK**  
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**Year Ended December 31, 2011**

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**New York State Department of Transportation**  
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*Certified Public Accountants*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR NEW YORK STATE  
DEPARTMENT OF TRANSPORTATION ASSISTANCE PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH DRAFT PART 43 OF THE NYCRR**

Honorable County Legislature  
County of Erie, New York:

**Compliance**

We have audited the compliance of County of Erie, New York, (the "County") with the types of compliance requirements described in 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, 2011. The program tested is 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 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 of America; 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 of NYCRR 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 requirements referred to above that are applicable to its state transportation assistance program tested for the year ended December 31, 2011.

**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 the County's internal control over compliance with the requirements that could have a direct and material effect on state transportation assistance programs 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 43 of NYCRR, 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.

*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.*

Our consideration of the 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 County as of and for the year ended December 31, 2011, and have issued our report thereon dated June 27, 2012 (which report refers to other auditors). Our audit was conducted for the purpose of forming an opinion on the County's financial statements as a whole. The accompanying Schedule of New York State Department of Transportation Assistance Funds Expended is presented for purposes of additional analysis as required by Draft 43 of NYCRR 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 of America. In our opinion the Schedule of New York State Department of Transportation Assistance Funds Expended 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 County Legislature, County management, the New York State Department of Transportation, and the Office of the State Comptroller of the State of New York. However, this report is a matter of public record and its distribution is not limited.



June 27, 2012

**COUNTY OF ERIE, NEW YORK**  
**Schedule of New York State Department of Transportation Assistance Funds Expended**  
**Year Ended December 31, 2011**

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<u>Program Title/Description</u>	<u>NYS Contract/ Reference Number</u>	<u>Total NYS Expenditures</u>
Consolidated Local Street and Highway Improvement Program (CHIPS)	M530000	\$ <u>7,512,150</u>
Marchicelli/Bond Match for Federal Aid Highway Projects (Highway and Bridge Reconstruction Projects):		
Wehrle Drive	D011613	384,818
North Forest Road	D012300	1,452
Seneca Railroad Bridge	D012333	10,405
Cemetery Road Bridge	D012343	265,471
Maple Road	D012344	17,456
East Robinson/North French	D013856	9,238
Pavement Road Bridge	D013877	144,296
Como Park Boulevard	D017683	9,511
Youngs/Aero Intersection	D017935	93,713
Freeman Road Bridge	D022005	7,278
Harris Hill at Wehrle Drive	D022084	2,280
Colvin/Brighton	D022322	25,796
Lake Avenue Bridge	D033516	11,595
Abbott Road Bridge	D033706	<u>11,505</u>
 Total highway and bridge reconstruction projects		 <u>994,814</u>
 Total New York State Department of Transportation Assistance Funds Expended		 <u>\$ 8,506,964</u>

See notes to Schedule of New York State Department of Transportation Assistance Funds Expended.

**COUNTY OF ERIE, NEW YORK**  
**Notes to Schedule of New York State Department of Transportation Assistance Funds Expended**  
**Year Ended December 31, 2011**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of New York State Department of Transportation (the "NYSDOT") Assistance Funds Expended includes the financial assistance provided by NYSDOT.

The accompanying schedule is presented on the modified accrual basis of accounting.

**2. 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**  
**New York State Department of Transportation Assistance**  
**Year Ended December 31, 2011**

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**Part I. SUMMARY OF AUDITORS' RESULTS**

**New York State Department of Transportation Assistance:**

Internal control over major programs:

1. Material weakness(es) identified?             Yes        ✓   No
2. Significant deficiency(ies) identified?             Yes        ✓   None reported

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

Unqualified (with reference to other auditors)

3. Any audit findings disclosed that are required to be reported in accordance with Draft Part 43 of NYCRR?             Yes        ✓   No
4. Identification of State Transportation Assistance Program Tested:

**Name of Program**

Consolidated Highways Improvement Program (CHIPS)

**Part II. COMPLIANCE FINDINGS AND QUESTIONED COSTS**

None reported.