

COUNTY OF STEUBEN, NEW YORK

**State Transportation Assistance Expended
For the Year Ended
December 31, 2009**

COUNTY OF STEUBEN, NEW YORK

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

June 23, 2010

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

We have audited the compliance of the County of Steuben, 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 (NYSCRR) 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 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 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 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 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 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 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's 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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(Continued)

**REPORT ON COMPLIANCE AND CONTROLS OVER STATE TRANSPORTATION ASSISTANCE
EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED 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 a 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 basic financial statements of the County as of and for the year ended December 31, 2009, and have issued our report thereon dated June 23, 2010. Our audit was performed for the purpose of forming an opinion on the basic 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 NYSCRR and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic 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 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, 2009**

<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	575,832
Marchicelli Program - State Bridge Aid	D030153	462,773
State Transit Operating Assistance Program	563000	215,856
Marchicelli Program - State Bridge Aid	D031641	39,239
Marchicelli Program - State Bridge Aid	D024659	<u>5,320</u>
		<u>\$ 4,987,412</u>

COUNTY OF STEUBEN, NEW YORK

NOTES TO THE SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED DECEMBER 31, 2009

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.

5. REIMBURSED EXPENSES

As of December 31, 2009, the County spent \$462,773 on the Marchicelli Program-State Bridge Aid program (D030153) on materials and labor for construction of a County bridge. As of December 31, 2009, only \$335,904 had been received for this project. However, on the schedule of state transportation assistance expended, \$462,773 was recognized.

COUNTY OF STEUBEN, NEW YORK

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

A. SUMMARY OF AUDIT RESULTS

1. Internal control over state transportation assistance expended:
 - No material weaknesses were identified.
2. The auditors' report on compliance for state transportation assistance expended for the County expressed an unqualified opinion and did not disclose any material noncompliance with state transportation programs.
3. The programs tested were:
 - Consolidated Local Street and Highway Improvement Program (CHIPS)
 - Marchicelli Program - State Bridge Aid, D030153

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.