

**COUNTY OF CHAUTAUQUA,  
NEW YORK**

*New York State Department of Transportation  
Financial Assistance Schedules for the  
Year Ended December 31, 2018 and  
Independent Auditors' Report*



**COUNTY OF CHAUTAUQUA, NEW YORK**  
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**Year Ended December 31, 2018**

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*Certified Public Accountants*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR NEW YORK STATE DEPARTMENT OF  
TRANSPORTATION ASSISTANCE EXPENDED AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH DRAFT PART 43 OF NYCRR**

Honorable County Executive and Members of the County Legislature  
County of Chautauqua, New York:

**Report on Compliance for New York State Department of Transportation Assistance Programs**

We have audited the County of Chautauqua, New York's (the "County") compliance 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, 2018. The program tested is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the laws, regulations, contracts and grants applicable to its state transportation assistance programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the County's program based on our audit of the types of compliance requirements referred to above. 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 a state transportation assistance program tested has occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each state transportation assistance program tested. However, our audit does not provide a legal determination on the County's compliance.

***Opinion***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state transportation assistance programs tested for the year ended December 31, 2018.

## **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with requirements that could have a direct and material effect on each state transportation assistance program tested as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each state transportation assistance program tested and to test and report on internal control over compliance in accordance with Draft Part 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state transportation assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Schedule of New York State Department of Transportation Assistance Expended**

We have audited the financial statements of the County as of and for the year ended December 31, 2018, and have issued our report thereon dated June 20, 2019, which contained an unmodified opinion on those financial statements, includes an emphasis of matter paragraph regarding the implementation of Governmental Accounting Standards Board Statement No. 75, and includes a reference to other auditors. Our audit was conducted for the purpose of forming an opinion on the County's financial statements taken as a whole. The accompanying Schedule of New York State Department of 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 basic 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 basic financial statements or to the basic 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 Expended is fairly stated in all material respects in relation to the financial statements as a whole.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Draft Part 43 of NYCRR. This report is for the information and use of the County Legislators, County management, the New York State Department of Transportation and the Office of the State Comptroller of the State of New York. Accordingly, this communication is not suitable for any other purpose.

*Dresch & Malach LLP*

June 20, 2019





**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Schedule of New York State Department of Transportation Assistance Expended**  
**Year Ended December 31, 2018**

<b>Program Titles/Description</b>	<b>NYS DOT Contract / Reference Number</b>	<b>NYS DOT Expenditures</b>
Airport Improvement Program	5903.18	\$ 22,834
	5903.19	2,735
	5903.20	1,882
	5903.21	1,333
	5905.78	618
	5905.83	3,169
	5905.84	1,459
	5905.85	<u>62,988</u>
Total Airport Improvement Program		<u>97,018</u>
Non-Marchiselli State Share:		
Bridge 1003	D-034833	1,224
Bridge 1077	D-035000	<u>21,769</u>
Total Non-Marchiselli State Share		<u>22,993</u>
Marchiselli Aid:		
Bridge 827	D-033857	1,836
Bridge 1085	D-034886	427,027
Bridge/Foote Avenue over Chadakoin River	D-035636	4,702
Bridge Painting	D-035684	1,667
General Bridge Repairs	D-035751	<u>12,903</u>
Total Marchiselli Aid		<u>448,135</u>
Consolidated Local Street and Highway Improvement Program ("CHIPS")	N/A	5,134,884
Public Transportation/Section 511 Mobility Management Grant	C-003798	5,717
Statewide Mass Transportation Operating Assistance (STOA)	N/A	1,262,322
Public Transportation Assistance 17-18	70550648	<u>136,246</u>
Total New York State Department of Transportation Assistance Expended		<u>\$ 7,107,315</u>

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

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**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Notes to Schedule of New York State Department of Transportation Assistance Expended**  
**Year Ended December 31, 2018**

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**1. BASIS OF PRESENTATION**

The accompanying Schedule of New York State Department of Transportation (the “NYSDOT”) Assistance Expended (the “Schedule”) includes the financial assistance provided or passed through NYSDOT for the year ended December 31, 2018. Because the Schedule presents only a selected portion of the operations of the County of Chautauqua, New York, it is not intended to, and does not, present the financial position, changes in financial position or cash flows of the County of Chautauqua, New York.

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

**2. MATCHING COSTS**

Amounts identified as Marchiselli Aid and Airport Improvement Program represent matching costs for federally aided projects.

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**COUNTY OF CHAUTAUQUA, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**New York State Department of Transportation Assistance Expended**  
**Year Ended December 31, 2018**

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

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

Internal control over major programs:

- |  |           |   |
|--|-----------|---|
| 1. Material weakness(es) identified?       | _____ Yes | _____ <input checked="" type="checkbox"/> No            |
| 2. Significant deficiency(ies) identified? | _____ Yes | _____ <input checked="" type="checkbox"/> None reported |

Type of auditors' report issued on compliance for programs tested:	Unmodified
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- |   |           |  |
|---|-----------|--|
| 3. Any audit findings disclosed that are required to be reported in accordance with Draft Part 43 of NYCRR? | _____ Yes | _____ <input checked="" type="checkbox"/> No |
|---|-----------|--|

4. Identification of New York State Department of Transportation program tested:

**Name of Program**

Consolidated Local Street and Highway Improvement Program ("CHIPS")

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

No matters reported.

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