

COUNTY OF CHAUTAUQUA, NEW YORK

**State Transportation Assistance Expended
For the Year Ended December 31, 2021**

Bonadio & Co., LLP
Certified Public Accountants

COUNTY OF CHAUTAUQUA, NEW YORK

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF
THE STATE TRANSPORTATION ASSISTANCE PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY PART 43 OF THE NEW YORK CODES,
RULES, AND REGULATIONS**

July 22, 2022

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

Report on Compliance of the State Transportation Assistance Program

Opinion on State Transportation Assistance Program

We have audited the County of Chautauqua, New York's (the County's) compliance with the types of compliance requirements described in Part 43 of the New York State Codes, Rules, and Regulations (NYCRR) that could have a direct and material effect on the County's state transportation assistance program tested for the year ended December 31, 2021. The County's state transportation assistance program tested is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its state transportation assistance program tested for the year ended December 31, 2021.

Basis For Opinion on State Transportation Assistance Program

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 the audit requirements of Part 43 of NYCRR. Our responsibilities under those standards and Part 43 of NYCRR are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state transportation assistance program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management For Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's state transportation assistance programs.

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Auditor's Responsibilities For the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Part 43 of NYCRR will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the state transportation assistance program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Part 43 of NYCRR, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Transportation Assistance Expended Required by Part 43 of NYCRR

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 22, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Part 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 state transportation assistance expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

COUNTY OF CHAUTAUQUA, NEW YORK

**Schedule of State Transportation Assistance Expended
For the Year Ended December 31, 2021**

Program Title	NYS DOT Contract/Ref. Number	Expenditures
Consolidated Local Street and Highway Program (CHIPS)	N/A	\$ 5,311,920
CHIPS - PAVE NY	N/A	1,445,448
CHIPS – Extreme Winter Recovery (EWR)	N/A	951,454
FEMA 4129 DR NY (State Share)	013-99013-02	38,947
Airport Improvement Program / Dunkirk Airport	3-36-0022-55-17	4,423
Airport Improvement Program / Jamestown Airport	3-36-0048-48-18	4,177
Airport Improvement Program / Jamestown Airport	3-36-0048-52-19	5,386
Airport Improvement Program / Jamestown Airport	3-36-0048-50-19	3,813
Airport Improvement Program / Jamestown Airport	N/A	222,646
Airport Improvement Program / Jamestown Airport	3-36-0048-46-17	6
Airport Improvement Program / Jamestown Airport	3-36-0048-47-17	6
Subtotal Airport Improvement Program / Jamestown Airport		<u>240,457</u>
Marchiselli Program - State Bridge Aid	D035636	18,541
Marchiselli Program - State Bridge Aid	D040327	<u>30,058</u>
Subtotal Marchiselli Program - State Bridge Aid		<u>48,599</u>
Public Transportation / ATC2017 Grant	C004107	13,009
Public Transportation / Section 5311 Mobility Management Grant	C004107	2,771
Purchase of CARTS Hub Building in Downtown Jamestown	N/A	300
Mass Transportation Operating Assistance (STOA)	N/A	1,557,064
Public Transportation Assistance 20-21	N/A	<u>136,246</u>
Total schedule of state transportation assistance expended		<u>\$ 9,746,215</u>

COUNTY OF CHAUTAUQUA, NEW YORK

Notes to the Schedule of State Transportation Assistance Expended December 31, 2021

1. GENERAL

The accompanying schedule of state transportation assistance expended of the County of Chautauqua, 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 Marchiselli Program - State Bridge Aid represent matching costs for the federally aided programs.

COUNTY OF CHAUTAUQUA, NEW YORK

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021**

A. SUMMARY OF AUDITOR'S RESULTS

1. Internal control over state transportation assistance expended:
 - No material weaknesses or significant deficiencies were reported.
2. The independent auditor's report on compliance for state transportation assistance expended for the County expressed an unmodified opinion and did not disclose any material noncompliance with the state transportation program tested.
3. The program tested was:
 - Consolidated Local Street and Highway Improvement Program (CHIPS).

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.