

COUNTY OF SULLIVAN, NEW YORK
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
YEAR ENDED DECEMBER 31, 2009
WITH INDEPENDENT AUDITORS' REPORT



**Report on Compliance and Controls over State Transportation Assistance
Expended Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Honorable Legislature of the
County of Sullivan, New York

Compliance

We have audited the compliance of the County of Sullivan, New York with the types of compliance requirements described in the Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to the state transportation assistance program tested for the year ended December 31, 2009. 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 the program tested is the responsibility of the County of Sullivan, New York's management. Our responsibility is to express an opinion on County of Sullivan, New York'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 Part 43 of NYCRR. Those standards and 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 program tested, has occurred. An audit includes examining, on a test basis, evidence about the County of Sullivan, New York'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 of the County of Sullivan, New York's compliance with those requirements.

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

Internal Control Over Compliance

The management of County of Sullivan, New York 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. In planning and performing our audit, we considered the County of Sullivan, New York's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance program 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 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 of Sullivan, New York's internal control over compliance.

A control 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 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 County of Sullivan, New York as of December 31, 2009 and for the year then ended, and have issued our report thereon dated June 18, 2010. Our audit was performed for the purpose of forming an opinion on County of Sullivan, New York'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 Part 43 of NYCRR, 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 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 of Sullivan, New York'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.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

September 28, 2010

COUNTY OF SULLIVAN, NEW YORK
 SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

YEAR ENDED DECEMBER 31, 2009

<u>Program Title</u>	<u>Contract Number</u>	<u>Reference Number</u>	<u>Expenditures</u>
<u>Matching Programs Covered Under Federal Single Audit:</u>			
Matching Grants for:			
Airport Improvement Program	Various	20.1060	\$ 13,861
Highway Planning and Construction Marchicelli Program	Various	20.2050	63,245
Capital Investment Grant Program	K006687	20.500	<u>36,451</u>
Total Matching Programs			<u>113,557</u>
<u>Non-Federal Programs:</u>			
Consolidated Local Streets and Highway Improvement Program (CHIPS) Capital Component	Various	N/A	\$ 2,254,253
State Aid Multi Modal Program - (State Dedicated Funds I-86)	D12070	N/A	33,216
Airport Improvement Program	K550734	N/A	105,089
New York State Snow and Ice Contract	D005380	N/A	<u>128,810</u>
Total Non-Federal Programs			<u>2,521,368</u>
Total State Transportation Assistance Expended			<u>\$ 2,634,925</u>

COUNTY OF SULLIVAN, NEW YORK
NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

DECEMBER 31, 2009

Note 1 - Schedule of State Transportation Assistance Expended

A. General

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

B. Basis of Accounting

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

C. Matching Cost

Matching costs, i.e. the County of Sullivan, New York's share of certain program costs, are not included in the reported expenditures.

COUNTY OF SULLIVAN, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR STATE TRANSPORTATION ASSISTANCE EXPENDED

YEAR ENDED DECEMBER 31, 2009

Summary of Audit Results:

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

Internal control over State Transportation Assistance Program tested:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified Yes None reported

Summary of Audit Findings:

None noted.

Identification of State Transportation Assistance Programs Tested:

<u>Grant No.</u>	<u>Program</u>
Various	Consolidated Local Streets and Highway Improvement Program (CHIPS) Capital Component

Internal Controls and Compliance Finding:

No matters were noted.