

CITY OF BINGHAMTON

Binghamton, New York

STATE TRANSPORTATION ASSISTANCE EXPENDED REPORT

December 31, 2017



CITY OF BINGHAMTON

STATE TRANSPORTATION ASSISTANCE EXPENDED REPORT DECEMBER 31, 2017

TABLE OF CONTENTS

Independent Auditor’s Report on Compliance and Controls over State Transportation Assistance Expended Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-3
Schedule of State Transportation Assistance Expended	4
Notes to Schedule of State Transportation Assistance Expended	5
Schedule of Findings and Questioned Costs for State Transportation Assistance Expended	6

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

City Council
City of Binghamton
Binghamton, New York

Report on Compliance

We have audited the City of Binghamton's (the City) compliance with the types of compliance requirements described in the Title 17 of the New York State Codes, Rules and Regulations (NYCRR) Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on each state transportation assistance programs tested for the year ended December 31, 2017. The programs tested are identified in the summary of audit results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each state transportation assistance program tested.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's state transportation assistance programs tested based on our audit of the types of requirements referred to above.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 17 of the NYCRR Part 43. Those standards and Title 17 of the NYCRR 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 programs tested, has occurred. An audit includes examining, on a test basis, evidence about the City'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 with each state transportation assistance programs tested. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Each State Transportation Assistance Program Tested

In our opinion, the City complied, in all material respects, with the 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, 2017.

Report on Internal Control Over Compliance

Management of the City of Binghamton 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 of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the state transportation assistance programs tested to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance in accordance with Title 17 of the NYCRR Part 43, 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 City'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 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 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 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 is 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 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.

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 New York State Department of Transportation. Accordingly, this report is not suitable for any other purpose.

Schedule of State Transportation Assistance Expended

We have audited the financial statements of the City of Binghamton as of December 31, 2017 and for the year ended December 31, 2017, and have issued our report thereon dated September 14, 2018. Our audit was performed for the purpose of forming an opinion on the City of Binghamton'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 Title 17 of the NYCRR Part 43, 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 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 State Transportation Assistance Expended is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the City of Binghamton'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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 14, 2018

CITY OF BINGHAMTON

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Program Title</u>	<u>NYSDOT Contract/ Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Streets and Highway Improvement Program (CHIPS) - Capital Component	912006	\$ <u>1,485,379</u>
State Match of Federal Highway Projects	D035450	12,552
State Match of Federal Highway Projects	D035014	8,680
State Match of Federal Highway Projects	D035470	24,668
State Match of Federal Highway Projects	D032021	38,246
State Match of Federal Highway Projects	D034256	379,095
State Match of Federal Highway Projects	D034719	4,963
State Match of Federal Highway Projects	D032026	123,086
State Match of Federal Highway Projects	D030377	<u>4,019</u>
Total State Match for Federal Aid Highway Projects		<u>595,309</u>
Total		\$ <u><u>2,080,688</u></u>

CITY OF BINGHAMTON

NOTES TO SCHEUDLE OF STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1* **General*

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

Note 2* **Basis of Accounting*

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

Note 3* **Matching Cost*

The costs associated with the federal and local shares of the Federal Highway projects are not included in the reported expenditures.

CITY OF BINGHAMTON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2017

Summary of Audit Results

Internal control over state transportation assistance expended:

- Material weakness(es) identified No
- Reportable condition(s) identified that are not considered to be material weakness(es) None reported

Type of auditor's report issued on compliance for programs tested Unmodified

Summary of Audit Findings

Identification of state transportation assistance programs tested:

Consolidated Local Street and Highway Improvement Program

N/A

Compliance Findings and Questioned Costs

No matters were reported.