

CITY OF BINGHAMTON, NEW YORK

**Independent Auditor's Report on Compliance and
Controls Over State Transportation Assistance Expended**

For the Year Ended December 31, 2018

Bonadio & Co., LLP
Certified Public Accountants

CITY OF BINGHAMTON, NEW YORK

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER STATE
TRANSPORTATION ASSISTANCE PROGRAMS AND ON INTERNAL CONTROL OVER
COMPLIANCE AND REPORT ON SCHEDULE OF STATE TRANSPORTATION
ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43**

September 27, 2019

To the City Council of the
City of Binghamton, New York:

Report on Compliance for State Transportation Assistance Programs

We have audited the City of Binghamton, New York's (the City) compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on the City's state transportation assistance programs tested for the year ended December 31, 2018. The City's state transportation assistance 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 state statutes of laws, regulations, and the terms and conditions of its state awards applicable to its state transportation assistance programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's state transportation assistance programs tested 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 of America; and preliminary Draft Part 43 of the NYCRR. Those standards and preliminary Draft Part 43 of the 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 the state transportation assistance programs 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 for the state transportation assistance programs tested. However, our audit does not provide a legal determination of the City's compliance.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF THE STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY PRELIMINARY DRAFT PART 43

(Continued)

Opinion on Major State Transportation Assistance Programs Tested

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

Report on Internal Control Over Compliance

Management of the City 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 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 an opinion on compliance for the state transportation assistance programs and to test and report on internal control over compliance in accordance with preliminary Draft Part 43 of the 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 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 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 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 state transportation 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 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 preliminary Draft Part 43 of the NYCRR. Accordingly, this report is not suitable for any other purpose.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF THE STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY PRELIMINARY DRAFT PART 43

(Continued)

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 27, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted 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 preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (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 basic 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 state transportation assistance expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

CITY OF BINGHAMTON, NEW YORK

**SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Program Title</u>	<u>NYS DOT Contract / Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Improvement Program:		
Capital Component	001-01	\$ 780,164
State Match of Federal Highway Projects	D032021	704,483
State Match of Federal Highway Projects	D035014	4,529
State Match of Federal Highway Projects	D035470	26,474
State Match of Federal Highway Projects	D035913	<u>13,425</u>
 Total State Transportation Assistance Expended		 <u>\$ 1,529,075</u>

See accompanying notes to Schedule of State Transportation Assistance Expended

CITY OF BINGHAMTON, NEW YORK

**NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. MATCHING COSTS

Matching costs, i.e. the City's share of certain program costs, are not included in the Schedule.

4. INDIRECT COSTS

There were no indirect costs charged to state transportation assistance programs for the year ended December 31, 2018.

CITY OF BINGHAMTON, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
STATE TRANSPORTATION ASSISTANCE EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2018**

Part I. Summary of Audit Results

Internal control over state transportation assistance expended:

- No material weaknesses or significant deficiencies were reported

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

- Unmodified

Identification of State Transportation Assistance Programs tested:

- Consolidated Local Street and Highway Improvement Program
 - Capital Component

Compliance Findings and Questioned Costs:

- No findings noted