

**NIAGARA FRONTIER
TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)**

NEW YORK STATE SINGLE AUDIT REPORT

MARCH 31, 2021

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH STATE TRANSPORTATION ASSISTANCE PROGRAM TESTED AND ON INTERNAL CONTROL OVER COMPLIANCE

The Board of Commissioners
Niagara Frontier Transportation Authority

Report on Compliance for Each State Transportation Program Tested

We have audited the compliance of Niagara Frontier Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, with the types of compliance requirements described in the preliminary Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on each of the Authority's State transportation assistance programs tested for the year ended March 31, 2021. The programs tested are 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 Federal and State statutes, regulations, and the terms and conditions of its awards applicable to its State transportation assistance programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority'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; and Part 43 of NYCRR. Those standards and 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 occurred. An audit includes examining, on a test basis, evidence about the Authority'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 of the Authority's compliance.

Opinion on Each State Transportation Assistance Program Tested

In our opinion, the Authority 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 March 31, 2021.

Report on Internal Control Over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each State transportation assistance program tested to determine the 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 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 Authority'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 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 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 State Transportation Assistance Expended

We have audited the balance sheet of the Authority (a component unit of the State of New York), a business-type activity, as of March 31, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements. We issued our report thereon dated June 24, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the Authority's financial statements 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 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. Such 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.

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 Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose. Also, this report is intended solely for the information and use of management, the Board of Commissioners, others within the Authority, and the New York State Department of Transportation. It is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Lumsden & McCormick, LLP". The signature is written in a cursive, flowing style.

June 24, 2021

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Schedule of State Transportation Assistance Expended

For the year ended March 31, 2021

Grantor/Program Description	CFDA Number	NYS Grant/ Reference #	Total Expenditures	
State Matching Grants for Direct Federal Transit Administration Program:				
Federal Transit Capital Investment Grants	20.500	5823.68	\$ 375	
		5823.79	2,995	
		5900.16	29,580	
			32,950	
Federal Transit Formula Grants	20.507	5900.21	1,999,247	
		5900.22	352,808	
			2,352,055	
State of Good Repair Grants Program	20.525	5900.31	362,983	
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program	20.526	5900.16	54,124	
		5900.52	16,964	
			71,088	
Total State Matching Grants for Direct Federal Transit Administration Programs			2,819,076	
State Matching Grants for Direct Federal Aviation Administration Program:				
Airport Improvement Program	20.106	5902.22	329	
		5902.23	2,165	
		5902.24	13,820	
		5902.25	4,456	
		5A00.11	2,510	
		5A00.15	825	
		5A00.19	32,454	
		5A00.20	1,045	
		5A00.21	31,617	
		5A00.23	3,763	
		Pending	67,340	
Total State Matching Grants for Direct Federal Aviation Administration Program				160,324

See accompanying notes.

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Schedule of State Transportation Assistance Expended (continued)

For the year ended March 31, 2021

Grantor/Program Description	CFDA Number	NYS Grant/ Reference #	Total Expenditures
State Matching Grants for Federal Highway Administration Program: Highway Planning and Construction	20.205	D14513 D88480	\$ 550,085 56,210
Total State Matching Grants for Federal Highway Administration Program			606,295
State Matching Grants for Federal Transit Administration Program: Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	D125239	31,677
Non-Federal Capital-Related Grants: NYS Supplemental Transit Capital Funding	n/a	5822.27	1,336,144
New York State Department of Transportation Accelerated Transit Capital	n/a	5824.63 5824.70 5824.71 5824.72 5824.74 5824.81 5824.82	421,420 548,491 924,226 197,444 1,690,367 182,721 1,965,522
			5,930,191
Modern Enhancement Program (MEP)	n/a	5824.63 5824.71 5824.72 5824.86 5824.88 5900.15 Unassigned	927,496 690,289 256,112 713,569 52,911 1,339,697 644,969
			4,625,043
NYS Energy Research and Development Program		Unassigned	573
State Metro Rail Capital	n/a	5824.82	7,878,579

See accompanying notes.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
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Schedule of State Transportation Assistance Expended (continued)

For the year ended March 31, 2021

Grantor/Program Description	CFDA Number	NYS Grant/ Reference #	Total Expenditures
Non-Federal Capital-Related Grants, continued:			
NYS Air 99 Program - NYS Transportation Bond Act of 2005	n/a	Unknown	<u>\$ 595,031</u>
Total Non-Federal Capital-Related Grants			<u>20,365,561</u>
State Transit Operating Assistance:			
General Fund Appropriation - Section 18B of Transportation Law	n/a	Unassigned	4,100,000
Mass Transit Operating Assistance Fund	n/a	Unassigned	25,454,900
Dedicated Mass Transportation Trust Funds	n/a	Unassigned	12,823,100
Dedicated Transportation Fund NYS Additional Funding	n/a	Unassigned	<u>10,230,800</u>
Total State Transit Operating Assistance			<u>52,608,800</u>
Total State Transportation Assistance Expended			<u>\$ 76,591,733</u>

Notes to Schedule of State Transportation Assistance Expended

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of State Transportation Assistance Expended presents the activity of all financial assistance programs provided by the New York State Department of Transportation and administered by Niagara Frontier Transportation Authority (the Authority), which is aware and has been informed that such funds require separate audit procedures from those normally performed on federal funds received.

In accordance with agreements between the Authority and the New York State Department of Transportation, the Authority functions as the “host agency” for the Greater Buffalo Niagara Regional Transportation Council (GBNRTC), the designated Metropolitan Planning Organization (MPO) for the metro region including Erie and Niagara counties, and Niagara International Transportation Technology Coalition (NITTEC), a regional traffic operations center. As the host agency, the Authority provides certain grant administration and accounting functions to both organizations; consequently, reimbursement grants totaling \$606,000 administered on behalf of GBNRTC and NITTEC are included in the accompanying Schedule of State Transportation Assistance Expended.

Basis of Accounting

The Authority uses the accrual basis of accounting for each program, consistent with its financial statements.

Matching Costs

Matching costs, i.e., the Authority’s share of certain program costs, are not included in the reported expenditures.

Subrecipients

For the year ended March 31, 2021, the Authority did not make any payments related to State transportation assistance on behalf of subrecipients.

Schedule of Findings and Questioned Costs for State Transportation Assistance Expended

For the year ended March 31, 2021

Section I. Summary of Auditors' Results

Type of auditors' report issued on compliance for programs tested: *Unmodified*

Internal control over State transportation assistance expended:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Summary of Audit Findings: None noted

Identification of State Transportation Assistance Programs Tested:

Program Description	Amount
State Transit Operating Assistance:	
General Fund Appropriation – Section 18B of Transportation Law	\$ 4,100,000
Mass Transit Operating Assistance Fund	25,454,900
Dedicated Mass Transportation Trust Funds	12,823,100
Dedicated Transportation Fund NYS Additional Funding	10,230,800
	<u>\$ 52,608,800</u>

Section II. Compliance Findings and Questioned Costs

No matters were reported.