

**NIAGARA FRONTIER  
TRANSPORTATION AUTHORITY  
(A Component Unit of the State of New York)  
NEW YORK STATE SINGLE AUDIT REPORT  
MARCH 31, 2019**

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

---

**Table of Contents**

March 31, 2019

---

|  |   |
|--|---|
| Independent Auditors' Report on Compliance for Each State Transportation Assistance Program Tested and on Internal Control Over Compliance | 1 |
| Schedule of State Transportation Assistance Expended   | 4 |
| Notes to Schedule of State Transportation Assistance Expended  | 7 |
| Schedule of Findings and Questioned Costs for State Transportation Assistance Expended   | 8 |

**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 Niagara Frontier Transportation Authority's (the Authority) (a component unit of the State of New York), a business-type activity, compliance 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, 2019. 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, 2019.

## **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, 2019, 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 July 18, 2019, 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.

*Lumaden & McCormick, LLP*

October 8, 2019, except for our report on the Schedule of State  
Transportation Assistance Expended, for which the date is July 18, 2019

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, 2019

| Grantor/Program Description   | CFDA<br>Number | NYS Grant/<br>Reference #   | Total<br>Expenditures  |
|---|----------------|---|--|
| <b>State Matching Grants for Direct Federal<br/>Transit Administration Programs:</b>      |                |   |  |
| Federal Transit Capital Investment Grants   | 20.500         | 5822.27<br>5823.79<br>5900.20   | \$ 41,458<br>2,825<br>18,598<br><u>62,881</u>  |
| Federal Transit Formula Grants  | 20.507         | 5T1759<br>5900.01<br>pending  | 35,776<br>2,658,022<br>4,427<br><u>2,698,225</u>   |
| State of Good Repair Grants Program   | 20.525         | 5823.71   | <u>21,771</u>  |
| <b>Total State Matching Grants for Direct<br/>Federal Transit Administration Programs</b> |                |   | <u><b>2,782,877</b></u>  |
| <b>State Matching Grants for Direct Federal<br/>Aviation Administration Program:</b>      |                |   |  |
| Airport Improvement Program   | 20.106         | 5902.20<br>5902.21<br>5A00.09<br>5A00.11<br>5A00.12<br>5A00.13<br>5A00.14<br>5A00.15<br>Pending | 257<br>12,644<br>735<br>66,860<br>8,373<br>6,392<br>8,419<br>5,193<br>92,602<br><u>201,475</u> |
| <b>Total State Matching Grants for Direct<br/>Federal Aviation Administration Program</b> |                |   | <u><b>201,475</b></u>  |

See accompanying notes.

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

**Schedule of State Transportation Assistance Expended (continued)**

For the year ended March 31, 2019

| Grantor/Program Description   | CFDA Number | NYS Grant/<br>Reference # | Total Expenditures |
|---|-------------|---------------------------|--------------------|
| <b>State Matching Grants for Federal Highway Administration Program:</b>                  |             |                           |                    |
| Highway Planning and Construction   | 20.205      | D14513                    | \$ 431,190         |
|   |             | D88480                    | 145,640            |
| <b>Total State Matching Grants for Federal Highway Administration Program</b>             |             |                           | <b>576,830</b>     |
| <b>State Matching Grants for Federal Transit Administration Program:</b>                  |             |                           |                    |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | 20.505      | D125239                   | <b>30,354</b>      |
| <b>Non-Federal Capital-Related Grants:</b>  |             |                           |                    |
| NYS Supplemental Transit Capital Funding  | n/a         | 5822.27                   | 1,204,046          |
| New York State Department of Transportation Accelerated Transit Capital                   | n/a         | 5822.27                   | 1,262,872          |
|   |             | 5824.62                   | 1,491,001          |
|   |             | 5824.63                   | 277,729            |
|   |             | 5824.70                   | 401,142            |
|   |             | 5824.71                   | 192,493            |
|   |             | 5824.73                   | 471,144            |
|   |             | Unassigned                | 676,013            |
|   |             |                           | 4,772,394          |
| Modern Enhancement Program  | n/a         | 5822.27                   | 112,936            |
|   |             | 5824.67                   | 6,351,629          |
|   |             | 5824.68                   | 3,346,599          |
|   |             |                           | 9,811,164          |
| NYS Energy Research and Development   | n/a         | Unassigned                | 2,076              |
| State Metro Rail Capital  | n/a         | Unassigned                | 1,678,216          |
| NYS Air 99 Program - NYS Transportation Bond Act of 2005                                  | n/a         | 5A00.99                   | 508                |
| <b>Total Non-Federal Capital-Related Grants</b>   |             |                           | <b>17,468,404</b>  |

See accompanying notes.

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

---

**Schedule of State Transportation Assistance Expended (continued)**

For the year ended March 31, 2019

---

| <b>Grantor/Program Description</b>                             | <b>CFDA<br/>Number</b> | <b>NYS Grant/<br/>Reference #</b> | <b>Total<br/>Expenditures</b> |
|--|------------------------|-----------------------------------|-------------------------------|
| <b>State Transit Operating Assistance:</b>                     |                        |                                   |                               |
| General Fund Appropriation - Section 18B of Transportation Law | n/a                    | Unassigned                        | \$ 4,100,000                  |
| Mass Transit Operating Assistance Fund                         | n/a                    | Unassigned                        | 25,090,000                    |
| Dedicated Mass Transportation Trust Funds                      | n/a                    | Unassigned                        | 14,076,800                    |
| Dedicated Transportation Fund NYS Additional Funding           | n/a                    | Unassigned                        | 10,230,800                    |
| <b>Total State Transit Operating Assistance</b>                |                        |                                   | <b>53,497,600</b>             |
| <b>Total State Transportation Assistance Expended</b>          |                        |                                   | <b>\$ 74,557,540</b>          |

---



**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 \$607,000 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, 2019, the Authority did not make any payments related to State transportation assistance on behalf of subrecipients.

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

---

**Schedule of Findings and Questioned Costs for State Transportation Assistance Expended**

For the year ended March 31, 2019

---

**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:

| <u>Program Description</u>                                     | <u>Amount</u>            |
|--|--------------------------|
| Federal Transit Capital Investment Grants Match                | \$ 62,881                |
| Federal Transit Formula Grants Match                           | 2,698,225                |
| State of Good Repair Grants Program                            | <u>21,771</u>            |
|  | <u>2,782,877</u>         |
| <br>   |                          |
| General Fund Appropriation – Section 18B of Transportation Law | 4,100,000                |
| Mass Transit Operating Assistance Fund                         | 25,090,000               |
| Dedicated Mass Transportation Trust Funds                      | 14,076,800               |
| Dedicated Transportation Fund NYS Additional Funding           | <u>10,230,800</u>        |
|  | <u>53,497,600</u>        |
|  | <br><u>\$ 56,280,477</u> |

**Section II. Compliance Findings and Questioned Costs**

No matters were reported.