

TOWN OF RIVERHEAD
STATE TRANSPORTATION SINGLE AUDIT
REPORT

Year Ended December 31, 2009

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

Honorable Supervisor and Town Board
Town of Riverhead
Riverhead, New York

Compliance

We have audited the compliance of the Town of Riverhead, New York, with the types of compliance requirements described in the Draft 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 for state transportation assistance expended. Compliance with the requirements of laws, regulations, contracts and grants applicable to the program is the responsibility of Town of Riverhead, New York's management. Our responsibility is to express an opinion on the Town of Riverhead, 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 Draft Part 43 of NYCRR. Those standards and Draft Part 43 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 program tested occurred. An audit includes examining, on a test basis, evidence about the Town of Riverhead, 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 on the Town of Riverhead, New York's compliance with those requirements.

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

PERSONAL SERVICE. TRUSTED ADVICE.

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Internal Control Over Compliance

The management of the Town of Riverhead, New York is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state transportation assistance program tested. In planning and performing our audit, we considered the Town of Riverhead, New York's internal control over compliance with requirements that could have a direct and material effect on a state transportation assistance program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Town of Riverhead'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 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 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 would not necessarily identify all deficiencies in internal control that might be 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 the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and aggregate remaining fund information of the Town of Riverhead, New York as of and for the year ended December 31, 2009, and have issued our report thereon dated June 27, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Riverhead, New York's basic financial statements. The accompanying Schedule of State Transportation Assistance Expended is presented for purposes of additional analysis as required by Draft 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 basic financial statements taken as a whole.

This report is intended solely for the information and use of management, Town Board, others within the Town, and the New York State Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Albert Vignier, Zamboni & Company P.C.

Hauppauge, New York
June 27, 2011

TOWN OF RIVERHEAD
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
Year ended December 31, 2009

<u>Program Title</u>	<u>NYS DOT Contract/ Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Improvement System - Capital Reimbursement Component	070716	<u>\$ 546,210</u>
Total State Transportation Assistance Expended		<u><u>\$ 546,210</u></u>

See accompanying notes to Schedule of State Transportation Assistance Expended.

TOWN OF RIVERHEAD
NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
Year ended December 31, 2009

Note A – General

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

Note B – Basis of Accounting

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

Note C – Indirect Costs

There were no indirect costs associated with this program.

Note D – Matching Costs

Matching costs were provided in accordance with program requirements.

Note E – Amounts Paid to Subrecipients

The Town does not have any subrecipients.

TOWN OF RIVERHEAD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE
TRANSPORTATION ASSISTANCE EXPENDED
Year ended December 31, 2009

SUMMARY OF AUDIT RESULTS:

Internal control over state transportation assistance expended:

- Material weakness(es) identified No

- Significant deficiencies identified that are not considered to be material weakness(es) None reported

Type of auditors' report on compliance for programs tested: Unqualified

Summary of Audit Findings: None

Identification of State Transportation Assistance Programs Tested:

- Consolidated Local Street and Highway Improvement System- Capital Reimbursement Component (CHIPS)

COMPLIANCE FINDINGS AND QUESTIONED COSTS:

No matters were reported.

REPORT ON COMPLIANCE AND CONTROLS OVER STATE
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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 Draft Part 43 of NYCRR. Those standards and Draft Part 43 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 program tested occurred. An audit includes examining, on a test basis, evidence about the Town of Riverhead, 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 on the Town of Riverhead, New York's compliance with those requirements.

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