

TOWN OF RIVERHEAD

**NEW YORK STATE DEPARTMENT OF
TRANSPORTATION SINGLE AUDIT REPORT**

Year Ended December 31, 2013

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER NEW YORK 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

Report on Compliance

We have audited the Town of Riverhead, New York's compliance with the types of compliance requirements described in the Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect to the New York State transportation assistance program tested for the year ended December 31, 2013. The program tested is 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 its New York State transportation assistance programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Town of Riverhead, New York's program 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 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 New York 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 on compliance for the New York State transportation assistance program tested. However, our audit does not provide a legal determination on the Town of Riverhead, New York's compliance.

PERSONAL SERVICE. TRUSTED ADVICE.

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Opinion on Compliance

In our opinion, the Town of Riverhead, New York complied, in all material respects, with the types of compliance requirements referred to above that are direct and material to its New York State transportation assistance program tested for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Town of Riverhead, New York 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, we considered the Town of Riverhead, New York's internal control over compliance with the types of requirements that could have a direct and material effect on a New York State transportation assistance program, to determine the auditing procedures that are appropriate in the circumstances, for the purpose of expressing an opinion on compliance for the New York State transportation assistance program 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 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 New York 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 New York 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 New York State 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 deficiencies 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 Required by Part 43 of NYCRR

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Riverhead, New York, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town of Riverhead, New York's basic financial statements. We issued our report thereon dated September 24, 2014, 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 Town of Riverhead, New York's basic financial statements.

Report on Schedule of State Transportation Assistance Expended Required by Part 43 of NYCRR
(continued)

We did not audit the financial statements of the Town of Riverhead Industrial Development Agency and the Riverhead IDA Economic Job Development Corporation, which represents 100% of the assets, net position, and revenues of the aggregate discretely presented component units. These financial statements were audited by another auditor whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for these discretely presented component units, is based solely on the report of the other auditor.

The accompanying Schedule of New York 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 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 basic 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 New York State Transportation Assistance Expended is fairly stated in all material respects in relation to the basic 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 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.

Albert V. Jr., Zuh & Garry P.C.

Hauppauge, New York
September 24, 2014

TOWN OF RIVERHEAD
SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
Year ended December 31, 2013

<u>Program Title</u>	<u>NYS DOT Contract/ Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Improvement Program - Capital Reimbursement Component	070716	<u>\$ 367,671</u>
Total New York State Transportation Assistance Expended		<u><u>\$ 367,671</u></u>

TOWN OF RIVERHEAD
NOTES TO SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
Year ended December 31, 2013

Note A – General

The accompanying Schedule of New York 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 for the year ended December 31, 2013.

Note B – Basis of Accounting

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

Note C – Indirect Costs

There were no indirect costs associated with the reported expenditures.

Note D – Matching Costs

Matching costs, i.e. the Town of Riverhead, New York's share of certain program costs, are not included in the reported expenditures.

Note E – Amounts Paid to Subrecipients

The Town of Riverhead, New York does not have any subrecipients.

TOWN OF RIVERHEAD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR NEW YORK STATE
TRANSPORTATION ASSISTANCE EXPENDED
Year ended December 31, 2013

SUMMARY OF AUDIT RESULTS:

Internal control over state transportation assistance expended:

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

Type of auditors' report on compliance for programs tested:	Unmodified
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Identification of New York State Transportation Assistance Program Tested:

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