

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

Year Ended December 31, 2011

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROLS 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

**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 New York State transportation assistance program tested for the year ended December 31, 2011. The program tested is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to the program is the responsibility of the 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 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. 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 New York State transportation assistance program tested for the year ended December 31, 2011.

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 New York 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 New York State transportation assistance program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over 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 was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 New York 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 the aggregate remaining fund information of the Town of Riverhead, New York as of and for the year ended December 31, 2011, which collectively comprise the Town of Riverhead, New York's basic financial statements, and have issued our report thereon dated September 20, 2012, which contained unqualified 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. We did not audit the financial statements of the Town of Riverhead Industrial Development Agency, the discretely presented component unit, as described in our report on the Town of Riverhead, New York's basic financial statements. Those financial statements were audited by another auditor whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the Town of Riverhead Industrial Development Agency is based solely on the report of the other auditor. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Riverhead, New York's basic financial statements.

The accompanying Schedule of New York 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 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 information is fairly stated in all material respects in relation to the basic financial statements 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.

*Alvin, Vignino, Zuck & Comp P.C.*

Hauppauge, New York  
September 20, 2012

**TOWN OF RIVERHEAD**  
SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED  
Year ended December 31, 2011

<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>\$ 421,887</u>
Total New York State Transportation Assistance Expended		<u>\$ 421,887</u>

See accompanying notes to Schedule of New York State Transportation Assistance Expended.

**TOWN OF RIVERHEAD**  
NOTES TO SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED  
Year ended December 31, 2011

**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.

**Note B – Basis of Accounting**

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

**Note C – Indirect Costs**

There were no indirect costs associated with the reported expenditures.

**Note D – Matching Costs**

There were no matching costs associated with 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, 2011

**SUMMARY OF AUDIT RESULTS:**

Internal control over New York 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 New York State Transportation Assistance Program Tested:

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

**NEW YORK STATE FINDINGS AND QUESTIONED COSTS:**

No matters were reported.