

TOWN OF SMITHTOWN
NEW YORK STATE DEPARTMENT OF
TRANSPORTATION SINGLE AUDIT REPORT

Year Ended December 31, 2017

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROLS OVER THE NEW YORK STATE TRANSPORTATION ASSISTANCE PROGRAM EXPENDED BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

Report on Compliance for Each Major New York State Transportation Program

We have audited the Town of Smithtown, New York's compliance with the types of compliance requirements described in Title 17 of the New York State Codes, Rules and Regulations ("NYCRR") Part 43 that could have a direct and material effect on each of the Town of Smithtown's major New York State transportation assistance programs for the year ended December 31, 2017. The major program tested is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs for New York State Transportation Assistance Expended.

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 Smithtown, New York's major New York State transportation program 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 the audit requirements of Title 17 of the NYCRR Part 43. Those standards and Title 17 of the NYCRR 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 major New York State transportation assistance program occurred. An audit includes examining, on a test basis, evidence about the Town of Smithtown, 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 major New York State transportation assistance program tested. However, our audit does not provide a legal determination on the Town of Smithtown, New York's compliance.

BEYOND THE NUMBERS...

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

245 PARK AVENUE, 39TH FLOOR
NEW YORK, NY 10167
T: 212.792.4075

25 SUFFOLK COURT
HAUPPAUGE, NY 11788-3715
T: 631.434.9500 F: 631.434.9518

www.avz.com
INDEPENDENT MEMBER OF BKR INTERNATIONAL

Opinion on Compliance for Each Major State Transportation Program

In our opinion, the Town of Smithtown, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major New York State transportation assistance program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the Town of Smithtown, 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 of compliance, we considered the Town of Smithtown, New York's internal control over compliance with the types of requirements that could have a direct and material effect on the major 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 major New York State transportation assistance program and to test and report on internal control over compliance in accordance with Title 17 of the NYCRR Part 43, 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 Smithtown, New York'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 New York State transportation assistance 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 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 may not have been identified.

Report on the Schedule of New York State Transportation Assistance Expended Required by Title 17 of the NYCRR Part 43

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Smithtown, New York, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town of Smithtown, New York's basic financial statements. We issued our report thereon dated August 30, 2018, 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's basic financial statements.

Report on the Schedule of New York State Transportation Assistance Expended Required by Title 17 of the NYCRR Part 43 (continued)

The accompanying Schedule of New York State Transportation Assistance Expended is presented for purposes of additional analysis as required by Title 17 of the NYCRR Part 43, 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 basic financial statements or to the basic 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 over compliance and the results of that testing based on the requirements of Title 17 of the NYCRR Part 43. Accordingly, this report is not suitable for any other purpose.

Albert, Vignar, Zeh & Conry P.C.

Hauppauge, New York
August 30, 2018

TOWN OF SMITHTOWN
SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
Year Ended December 31, 2017

<u>Program Title</u>	<u>NYS DOT Contract/ Ref. Number</u>	<u>Expenditures</u>
State Snow and Ice	D014703	\$ 82,815
Consolidated Local Street and Highway Improvement Program (CHIPS) - Capital Reimbursement Component	D070780	941,693
PAVE-NY	D070780	215,090
Extreme Winter Recovery	D070780	<u>178,005</u>
Total New York State Transportation Assistance Expended		<u>\$ 1,417,603</u>

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

TOWN OF SMITHTOWN
NOTES TO SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED
Year Ended December 31, 2017

Note A - General

The accompanying Schedule of New York State Transportation Assistance Expended by the Town of Smithtown, 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, 2017.

Note B - Basis of Accounting

The accompanying Schedule of New York State Transportation Assistance Expended is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 17 of the New York State Codes, Rules and Regulations ("NYCRR") Part 43. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 Smithtown, New York does not have any subrecipients.

TOWN OF SMITHTOWN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR NEW YORK STATE
TRANSPORTATION ASSISTANCE EXPENDED
Year Ended December 31, 2017

SUMMARY OF AUDIT RESULTS:

Internal control over New York 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

Identification of New York State Transportation Assistance Program(s) Tested:

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

NEW YORK STATE FINDINGS AND QUESTIONED COSTS:

None

SUMMARY OF PRIOR YEAR AUDIT FINDINGS:

None