

**TOWN OF SMITHTOWN, NEW YORK**

**State Transportation Assistance Expended  
For the Year Ended  
December 31, 2019  
Together with  
Independent Auditor's Report**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE STATE TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43 OF THE NYCRR**

July 30, 2020

To the Honorable Supervisor and the Town Board of the  
Town of Smithtown, New York:

**Report on Compliance for Each Major State Transportation Program**

We have audited the Town of Smithtown, New York's (the Town) compliance with the types of compliance requirements described in the Draft Part 43 of the New York State Codification of Rules and Regulations (Draft Part 43 of NYCRR) that could have a direct and material effect on the state transportation assistance program tested for the year ended December 31, 2019. The Town's state transportation assistance program tested is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the State Transportation Assistance Expended.

**Management's Responsibility**

Management is responsible for compliance with state statutes, regulations and the terms and conditions of state awards applicable to its state transportation assistance programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Town's 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 Draft Part 43 of NYCRR. Those standards and the Draft 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 the state transportation assistance program tested occurred. An audit includes examining, on a test basis, evidence about the Town'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 state transportation program tested. However, our audit does not provide a legal determination on the Town's compliance.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE STATE TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43 OF THE NYCRR (Continued)**

**Opinion on Each Major State Transportation Program**

In our opinion, the Town complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on its state transportation assistance program tested for the year ended December 31, 2019.

**Report on Internal Control Over Compliance**

Management of the Town 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's internal control over compliance with the type of requirements that could have a direct and material effect on the state transportation assistance program tested to determine the auditing procedures are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the state transportation assistance program tested and to test and report on internal control over compliance in accordance with Draft 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'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 combination of deficiencies, in internal control over compliance, such that there is 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.

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 Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

(Continued)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE STATE TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY DRAFT PART 43 OF THE NYCRR (Continued)**

**Report on Schedule of State Transportation Assistance Expended**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated July 30, 2020 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the Town's 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 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.

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 state transportation assistance expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

**TOWN OF SMITHTOWN, NEW YORK**

**SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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| <u>Program Title</u>  | NYS DOT<br>Contract<br><u>Ref. Number</u> | <u>Expenditures</u> |
|---|---|---------------------|
| Snow and Ice  | D014703                                   | \$ 75,721           |
| Consolidated Local Street and Highway Improvement Program (CHIPS) |   |                     |
| Capital Reimbursement Component                                   | D070780                                   | 701,638             |
| Extreme Winter Recovery   | D070780                                   | 178,005             |
| PAVE - NY Program   | D070780                                   | <u>215,168</u>      |
| Total   |   | <u>\$ 1,170,532</u> |

The accompanying notes are an integral part of this schedule.

## **TOWN OF SMITHTOWN, NEW YORK**

### **NOTES TO SCHEDULE OF NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED December 31, 2019**

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#### **1. GENERAL**

The accompanying Schedule of State Transportation Assistance Expended of the Town of Smithtown, New York (the Town) presents the activity of all financial assistance provided by the New York State Department of Transportation. The Town's reporting entity is defined in the Town's financial statements. The information in the Schedule is presented in accordance with the requirements of the Draft Part 43 of the NYCRR. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

#### **2. BASIS OF ACCOUNTING**

The accompanying Schedule of State Transportation Assistance Expended is presented using the modified accrual basis of accounting, as described in the Town's financial statements. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **3. INDIRECT COSTS**

Indirect costs are included in the reported expenditures to the extent they are included in the New York State financial reports used as the source for the data presented.

#### **4. MATCHING COSTS**

Matching costs, i.e. the Town's share of certain program costs, are not included in the reported assistance expended.

## **TOWN OF SMITHTOWN, NEW YORK**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR NEW YORK STATE TRANSPORTATION ASSISTANCE EXPENDED FOR THE YEAR ENDED DECEMBER 31, 2019**

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#### **A. SUMMARY OF AUDIT RESULTS**

1. Internal control over state transportation assistance expended:
  - No material weaknesses were reported.
  - No significant deficiencies were reported.
2. The independent auditor's report on compliance for each state transportation assistance program tested, and on internal control over compliance and report on schedule of state transportation assistance expended, expressed an unmodified opinion and did not disclose any material noncompliance with the state transportation program tested.
3. The program tested was:
  - Consolidated Local Street and Highway Improvement Program (CHIPS) – Capital Reimbursement Component, PAVE NY and Extreme Winter Recovery

#### **B. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

There were no current year findings and there were no prior year findings.

#### **C. COMPLIANCE FINDINGS AND QUESTIONED COSTS**

There were no current year findings.