

TOWN OF MALTA, NEW YORK

SINGLE AUDIT

DECEMBER 31, 2008

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Town Board
Town of Malta, New York

We have audited the financial statements of the Town of Malta, New York as of and for the year ended December 31, 2008 and have issued our report thereon dated March 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Malta, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting 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 financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Malta, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Town of Malta, New York's management and is not intended to be and should not be used by anyone other than these specific parties.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 27, 2009

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the Town Board
Town of Malta, New York

Compliance

We have audited the compliance of the Town of Malta, New York with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The Town of Malta, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Malta, New York's management. Our responsibility is to express an opinion on the Town of Malta, 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 Comptroller General of the United States; and OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Malta, New York's compliance with those requirements and performing such other procedures as we consider 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 Malta, New York's compliance with those requirements.

In our opinion, the Town of Malta, New York's complied, in all material respects, with the requirement referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Town of Malta, New York is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Malta, New York's internal control over compliance with requirements that could have a direct and material effect on a major federal 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's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement or a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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 Expenditures of Federal Awards

We have audited the basic financial statements of the Town of Malta, New York as of and for the year ended December 31, 2008 and have issued our report thereon dated March 27, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 basic 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 the Town of Malta, New York's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 27, 2009

TOWN OF MALTA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Projects	Federal Catalog Number	Expenditures
U.S. Department of Housing and Urban Development		
Small Cities Program Community Development Block Grant (Grant No. 691ED496-05)	14.228	\$ 360
U.S. Department of Transportation		
Highway Planning and Construction	20.205	2,702,760
Federal Emergency Management Aid	83.544	<u>23,000</u>
Total Federal Awards		<u>\$ 2,726,120</u>

TOWN OF MALTA, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents expenditures under federal financial assistance programs administered by the Town of Malta, New York and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States and Local Governments, and Non-Profit Organizations*.

2. RECONCILIATION OF FEDERAL AWARDS TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

A reconciliation of federal awards per the basic financial statements and the schedule of expenditures of federal awards is as follows:

Federal Award Revenue per Basic Financial	
Town Outside Village Highway Fund	\$ 23,000
Capital Projects Fund	360
Other Governmental Funds	<u>2,702,760</u>
 Federal Awards per Schedule of Expenditures of	
Federal Awards	<u>\$2,726,120</u>

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| A. Type of Auditor's Report Issued: | Unqualified |
| B. Internal Control Over Financial Reporting | |
| Material weaknesses: | No |
| Reportable conditions identified that are not considered to be material weaknesses: | None Reported |
| C. Noncompliance Material to General Purpose Financial Statements. | No |

Federal Awards

- | | |
|---|-----------------------------------|
| A. Internal Control Over Major Programs | |
| Material weaknesses: | No |
| Reportable conditions identified that are not considered to be material weaknesses: | No |
| B. Type of Auditor's Report Issued on Compliance for Major Programs: | Unqualified |
| C. Audit Findings Disclosed That Are Required to be Reported in Accordance with Section 510(a) of OMB Circular A-133: | No |
| D. Major Program: | CFDA
Number
20.205 |
| Highway Planning Construction | |
| E. Dollar Threshold to Determine Type A and Type B Programs: | \$ 300,000 |
| F. Auditee Qualified as Low-Risk Auditee: | Yes |

Section II - Financial Statement Findings

There were no findings relating to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to Federal Award programs that are required to be reported in accordance with OMB Circular A-133.