

**TOWN OF SALISBURY, MASSACHUSETTS**

SINGLE AUDIT REPORTS

PURSUANT TO

OMB CIRCULAR A-133

JUNE 30, 2009

**TOWN OF SALISBURY, MASSACHUSETTS  
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# ROSELLI, CLARK & ASSOCIATES

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CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

## **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***

Board of Selectmen  
Town of Salisbury  
Salisbury, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Salisbury, Massachusetts, as of and for the year ended June 30, 2009, which collectively comprise the Town of Salisbury, Massachusetts's basic financial statements and have issued our report thereon dated October 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards 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 Salisbury, Massachusetts's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Salisbury, Massachusetts's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Salisbury, Massachusetts'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 Town of Salisbury, Massachusetts'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 Town of Salisbury, Massachusetts's financial statements that is more than inconsequential will not be prevented or detected by the Town of Salisbury, Massachusetts's internal controls.

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 Town of Salisbury, Massachusetts'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 Salisbury, Massachusetts'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*.

We noted certain other matters that we reported to management of the Town of Salisbury, Massachusetts in a separate letter dated October 3, 2009.

This report is intended for the information of the management, Board of Selectmen, others within the entity, 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.



Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
October 3, 2009

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# ROSELLI, CLARK & ASSOCIATES

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CERTIFIED PUBLIC ACCOUNTANTS  
MANAGEMENT CONSULTANTS

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

Board of Selectmen  
Town of Salisbury  
Salisbury, Massachusetts

### Compliance

We have audited the compliance of the Town of Salisbury, Massachusetts 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 June 30, 2009. The Town of Salisbury, Massachusetts' 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 Salisbury, Massachusetts' management. Our responsibility is to express an opinion on the Town of Salisbury, Massachusetts' 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 OMB Circular 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 Salisbury, Massachusetts' 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 Salisbury, Massachusetts' compliance with those requirements.

In our opinion, the Town of Salisbury, Massachusetts complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

### Internal Control Over Compliance

The management of the Town of Salisbury, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Salisbury, Massachusetts' 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 in accordance with OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of Town of Salisbury, Massachusetts' 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 of 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 a 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 significant deficiencies or material weaknesses, as defined above.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Salisbury, Massachusetts, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 3, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise of the Town of Salisbury, Massachusetts' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 management, Board of Selectmen, others within the entity, 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.

*Roselli Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
October 3, 2009

TOWN OF SALISBURY, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through Number	Federal Expenditures
<b><u>U.S. Department of Housing &amp; Urban Development</u></b>			
<i>Pass through the Commonwealth of Massachusetts- Executive Office of Housing and Community Development</i>			
Community Development Block Grant - State Administered Small Cities Program	*	14.228	00569 & 00543
			\$ 618,686
<b><u>U.S. Department of Justice</u></b>			
<i>Office of Community Oriented Policing Services</i>			
Violence Against Women Formula Grant	16.588	SCEPS3001VAWA08SALIS SCEPS3001VAWA07SALIS	30,547
<i>Bureau of Justice Assistance</i>			
Bulletproof Vest Partnership Program	16.607		18,750
Edward Byrne Memorial Justice Assistance Grant	16.738		16,300
Direct federal funding		2005-DJ-BX-1341	2,629
Subrecipient of the Town of Newburyport Police Department			
<b><u>U.S. Environmental Protection Agency</u></b>			
<i>Grants Management Office</i>			
Congressional Mandated Projects	66.202	EM-97164001-0	27,810
<b><u>U.S. Department of Education</u></b>			
<i>Pass through the Commonwealth of Massachusetts- Department of Elementary and Secondary Education</i>			
Safe and Drug-Free Schools and Communities - State Grants	84.186	SCEPS4004SFDS09SALIS	61,719
<b><u>U.S. Department of Homeland Security</u></b>			
<i>Federal Emergency Management Agency Pass through the Commonwealth of Massachusetts- Massachusetts Emergency Management Agency</i>			
Disaster Grants - Public Assist. (Presidentially Declared)	97.036		45,759
Civil Defense			7,734
<b>TOTALS</b>			<b>\$ 829,934</b>

\* Denotes major program.

See notes to the Schedule of Expenditures of Federal Awards.

**TOWN OF SALISBURY, MASSACHUSETTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

**A. Scope of Audit**

Town of Salisbury, Massachusetts (the Town) is a governmental agency established by the laws of the Commonwealth of Massachusetts.

All operations related to the Town of Salisbury's federal grant programs are included in the scope of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Compliance testing of all requirements, as described in the Compliance Supplement was performed. The Community Development Block Grant – State Administered Small Cities Program (14.228) was determined to be a major program.

**B. Period Audited**

Single audit testing procedures were performed for federal grant transactions during the year ended June 30, 2009.

**C. Summary of Significant Accounting Policies**

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue. The significant accounting principles followed by the Town are as follows:

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant transactions of the Town, although some of these programs may be supplemented with state and other revenue, only federal activity is shown. The receipts, proceeds from federal grants, and disbursements are recorded on the modified accrual basis whereby revenue is recognized when it becomes available and measurable, and expenditures are recognized when the liability is incurred. The activities of these programs are reflected in the general-purpose financial statements in the general and special revenue funds.

**D. Subrecipients**

The Town provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Community Development Block Grant	14.228	\$33,260



**TOWN OF SALISBURY, MASSACHUSETTS  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009**

**A. Summary of Audit Results**

1. The auditor's report expresses a unqualified opinion on the financial statements of the Town of Salisbury.
2. No reportable conditions relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Town of Salisbury were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Town of Salisbury expresses a unqualified opinion.
6. No audit findings relative to the major federal award programs for the Town of Salisbury are reported.
7. The program tested as a major program was the Community Development Block Grant – State Administered Small Cities Program (14.228).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Town of Salisbury was determined to be a low risk auditee.

**B. Schedule of Findings - Financial Statements Audit**

None

**C. Schedule of Findings and Questioned Costs - Federal Award Programs Audit**

None

**D. Schedule of Prior Year Findings and Questioned Costs**

None