

**GREEN ISLAND POWER AUTHORITY  
(A New York Public Benefit Corporation)**

**SINGLE AUDIT REPORTS**

**Year Ended May 31, 2011**

**GREEN ISLAND POWER AUTHORITY  
(A New York Public Benefit Corporation)**

**SINGLE AUDIT REPORTS**

**Year Ended May 31, 2011**

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**GREEN ISLAND POWER AUTHORITY  
(A New York Public Benefit Corporation)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Grantor/ Pass-Through Grantor/ <u>Program or Cluster Title</u></b>	<b><u>CFDA Number</u></b>	<b><u>Pass-Through Entity Identification Number</u></b>	<b><u>Federal Expenditures</u></b>
Department of Housing and Urban Development/ New York State Office of Community Renewal/ Village of Green Island/ Community Development Block Grants - State Administered Small Cities Program	14.228	474ED610-08	<u>\$ 678,602</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards, Independent Auditor's 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* and Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133 and Independent Auditor's Report on the Schedule of Expenditures of Federal Awards.

**GREEN ISLAND POWER AUTHORITY  
(A New York Public Benefit Corporation)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended May 31, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*a. General*

The accompanying schedule of expenditures of federal awards presents all federal awards programs of the Green Island Power Authority (Authority) for the year ended May 31, 2011. The Authority is defined in Note 1 to the financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule of federal expenditures of federal awards.

*b. Basis of Accounting*

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting used by the Authority in reporting this program to the federal government.

*c. Relationship to Financial Statements*

Federal awards revenues are reported in the Authority's financial statements as federal aid. The Authority's financial statements are presented using the accrual basis of accounting.

**NOTE 2 - NON-CASH ASSISTANCE**

The Authority had no federal awards expended in the form of non-cash assistance during the year ended May 31, 2011.

**NOTE 3 - LOANS AND LOAN GUARANTEES**

The Authority did not have any loans or loan guarantees as of May 31, 2011.

**NOTE 4 - INSURANCE**

The Authority did not participate in any federal insurance programs during the year ended May 31, 2011.

**NOTE 5 - SUBRECIPIENTS**

The Authority did not pass through any federal awards to subrecipients during the year ended May 31, 2011.

**GREEN ISLAND POWER AUTHORITY  
(A New York Public Benefit Corporation)**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended May 31, 2011**

**Financial Statement Findings**

No matters were reported.

**Federal Award Findings and Questioned Costs**

No matters were reported.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Green Island Power Authority  
Green Island, New York

We have audited the financial statements of the Green Island Power Authority (a New York public benefit corporation) (Authority) as of and for the year ended May 31, 2011, and have issued our report thereon dated September 16, 2011. 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 Authority'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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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 Authority'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 management, Board of Trustees, and others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

*Bollam Sheedy Torani & Co. LLP*

Albany, New York  
September 16, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Trustees  
Green Island Power Authority  
Green Island, New York

**Compliance**

We have audited the Green Island Power Authority's (a public benefit corporation) (Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended May 31, 2011. The Authority'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 Authority's management. Our responsibility is to express an opinion on the Authority'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 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 Authority'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 of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2011.

**Internal Control Over Compliance**

Management of the Authority 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 Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Authority'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 federal 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 federal 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 Expenditures of Federal Awards**

We have audited the financial statements of the Authority as of and for the year ended May 31, 2011, and have issued our report thereon dated September 16, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Authority's basic financial statements. 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 management, the Board, others within the entity, 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.

*Bollam Sheedy Torani & Co. LLP*

Albany, New York  
September 16, 2011

**GREEN ISLAND POWER AUTHORITY  
(A New York Public Benefit Corporation)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended May 31, 2011**

**Section I - Summary of Independent Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes      X   None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

*Federal Awards*

Internal control over major programs:

- Material weaknesses(s) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes      X   None Reported

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes      X   No

Identification of major programs:

<u>Program</u>	<u>CFDA #</u>
State Administered Small Cities Program	14.228

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes      X   No

**Section II - Financial Statement Findings**

None noted.

**Section III - Federal Awards Findings and Questioned Costs**

None noted.