

**TOWN OF HUNTINGTON, NEW YORK**

**SINGLE AUDIT REPORTS**

Year Ended December 31, 2021

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**TOWN OF HUNTINGTON, NEW YORK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2021

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Provided To Subrecipients	Total Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
<u>Direct Program:</u>				
Community Development Block Grant	14.218		\$ -	\$ 668,746
COVID-19 Community Development Block Grant	14.218		-	350,521
			<u>-</u>	<u>1,019,267</u>
<b>U.S. Department of the Treasury</b>				
<u>Direct Program:</u>				
Emergency Rental Assistance Program	21.023		-	139,973
<b>U.S. Department of Transportation</b>				
<u>Direct Program:</u>				
Federal Transit Formula Grants	20.507		-	107,191
<b>U.S. Department of Agriculture</b>				
<u>Pass-through Program from:</u>				
New York State				
Summer Food Service Program for Children	10.559		-	23,295
<b>U.S. Department of Health and Human Services</b>				
<u>Direct Program:</u>				
Basic Center Grant				
Runaway and Homeless Youth Program	93.623		137,034	137,034
<u>Pass-through Program from:</u>				
Suffolk County Department of Health Services:				
Suffolk County Office of Aging - Aging Cluster:				
COVID-19 Special Programs for the Aging - Title III, Part B -				
Grants for Supportive Services and Senior Centers	93.044	SC00000008629	-	22,500
Special Programs for the Aging - Title III, Part B -				
Grants for Supportive Services and Senior Centers	93.044	SC00000008629	-	79,345
Special Programs for the Aging - Title III, Part C -				
Nutrition Services	93.045	SC00000008998	-	29,089
Nutrition Services Incentive Program	93.053	SC00000008998	-	53,019
Total Aging Cluster			<u>-</u>	<u>183,953</u>
Special Programs for the Aging - Title III, Part E -				
National Family Caregiver Support	93.052	SC00000008979	-	473
Subtotal U.S. Department of Health and Human Services			<u>137,034</u>	<u>321,460</u>
<b>U.S. Department of Homeland Security</b>				
<u>Pass-through Program from:</u>				
State Emergency Management Office, New York				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		-	510,984
Total Expenditures of Federal Awards			<u>\$ 137,034</u>	<u>\$ 2,122,170</u>

See accompanying notes to schedule of expenditures of federal awards.

**TOWN OF HUNTINGTON, NEW YORK**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2021

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Town of Huntington, New York (the "Town") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). All federal financial assistance passed through to other government agencies is included in the schedule of expenditures of federal awards. Because the Schedule presents only a selected portion of the operations of the Town of Huntington, New York, it is not intended to and does not present the financial position or changes in net position of the Town of Huntington, New York.

**B. Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following either the cost principles contained in the Uniform Guidance or the cost principles contained in OMB Circular A-87 "*Cost Principles for State, Local and Indian Tribal Governments*" based on the grant award date. Generally, for grants (including funding increments with modified terms and conditions) awarded after December 26, 2014, such expenditures are recognized following the cost principles contained in the Uniform Guidance and for grant expenditures related to grants awarded prior to December 26, 2014, such expenditures are recognized following the cost principles contained in OMB Circular A-87 "*Cost Principles for State, Local and Indian Tribal Governments*". The award date is based on the date the Federal award is signed by the authorized official of the Federal awarding agency.

Certain types of expenditures are not allowable or are limited as to reimbursement.

- (2) Pass-through entity identifying numbers are presented where available.
- (3) The Town of Huntington, New York has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.
- (4) Federal grants received by the Town are subject to audit and adjustment. If any expenditure is disallowed by the grantor agencies as a result of such an audit, the grantor agencies could make claims for reimbursement, which would become a liability of the Town.

**C. Loan Funds – Not Subject to Compliance**

The Town's Community Development Agency ("Agency") has a deferred loan and fixed rate program that is originally financed with federal financial assistance from the Community Development Block Grant (Federal Assistance Listing 14.218). Monies from this funding are used to purchase, construct and rehabilitate single family or multifamily residential properties in low-income areas in the Town of Huntington, New York.

Under the deferred rate loan program, no monthly payments are made. However, upon the death of the homeowner(s), or the sale or refinancing of the home, the loan is repaid by the homeowner or their estate. The money received from the repayment is credited to the rehabilitation budget and spent on the deferred rate loan program. The amounts outstanding under the deferred rate loan program as of December 31, 2021 is \$5,791,513. This amount is not reflected in the Schedule of Expenditures of Federal Awards.

Under the fixed rate loan program, the individual homeowner is required to make monthly payments at a low interest rate to the Agency. As of December 31, 2021, there is one outstanding loan with a balance of \$4,376. This amount is not reflected in the Schedule of Expenditures of Federal Awards.

**TOWN OF HUNTINGTON, NEW YORK**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended December 31, 2021

**D. Emergency Rental Assistance Program**

Pursuant to the American Rescue Plan, the Town was awarded two Emergency Rental Assistance Program grants ("ERA") directly from the U.S. Treasury. The Town elected to redirect the awards to New York State, which is now responsible for the administration of the award. The Town's ERA award, upon redirection to New York State, was effectively de-obligated and cancelled. As such, the initial award of \$5,947,211 is not reported in the Schedule of Expenditures of Federal Awards.

Subsequent to transferring/redirecting the ERA award to New York State, the Town received a subaward of the ERA grant from the New York State Office of Temporary and Disability Assistance Agency. Expenditures incurred under this subaward are included in the Schedule of Expenditures of Federal Awards.

**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**

**Independent Auditors' Report**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Huntington, New York (the "Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the following discretely presented component units: South Huntington Water District and Greenlawn Water District, as described in our report on the Town's basic financial statements. The financial statements of Greenlawn Water District were not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**  
Hauppauge, New York  
June 28, 2022



**Report on Compliance for Each Major Federal Program; Report on  
Internal Control Over Compliance; and Report on Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance**

**Independent Auditors' Report**

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

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the Town of Huntington, New York's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2021. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town 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 December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.



## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 a 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. *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 federal 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the aggregate 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated June 28, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**  
Hauppauge, New York  
August 19, 2022

**TOWN OF HUNTINGTON, NEW YORK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended December 31, 2021

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes       X No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes       X None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes       X No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes       X No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes       X None reported

Type of auditors' report issued on compliance for major federal programs.

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of U.S. OMB Uniform Guidance?

\_\_\_\_\_ Yes       X No

Identification of major federal programs:

Federal Assistance Listing <u>Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.218	COVID-19 Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs.

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes       X No

**Section II - Findings - Financial Statements Audit**

None

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

None

**TOWN OF HUNTINGTON, NEW YORK**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
Year Ended December 31, 2021

**Financial Statement Findings**

None

**Federal Award Findings**

None