



**PATCHOGUE COMMUNITY DEVELOPMENT AGENCY  
WORKING AGENDA FOR MEETING OF  
January 7, 2021  
6:00 PM**

- I. Pledge of Allegiance**
- II. Public Safety Statement**
- III. Approval of Minutes**
  - a. Approval of Minutes of December 3, 2020
- IV. Financial Report**
  - a. Financial Report CDBG and Section 8
  - b. Audit Report of 2020
- V. Community Development Block Grant Program**
- VI. Housing Choice Voucher Program**
- VII. Public Authority Items**
- VIII. Other Business**
- IX. Public to be heard**
- X. Adjourn**

PATCHOGUE COMMUNITY DEVELOPMENT AGENCY  
MINUTES FOR MEETING OF  
December 3, 2020  
6:00 P.M.

Present: Donald Wachsmuth, Toni Dean, Susan Brinkman, Patrick McHeffey, Javier Kinghorn, Kaetlyn Jackson

Also Present: ~~Teresa Reilly~~ and Marian Russo

Call meeting to Order at 6:18 pm

Pledge of Allegiance

I. Approval of Minutes –

- a. Motion to approve Minutes of November 5, 2020 motion made by Member Javier Kinghorn, seconded by Member Toni Dean, vote, all in favor. Motion carries.

II. Financial Report –

a. Section 8

- i. We are trying to increase our utilization, we have had people go off the program and individuals being absorbed, M Russo worked with our Section 8 HUD advisor to complete the 2-year tool, she recommended maybe giving up some vouchers.
- ii. We have COVID-19 funding to utilize, All Section 8 Waivers have been extended until the end of June.
- iii. M Russo is considering hiring a part time individual during COVID-19 to assist with sending out new Section 8 vouchers. It is a time-consuming process the extra help will assist office staff with achieving leased up participants.
- iv. We have approximately 60 left on the waiting list.

b. CDBG

- i. No news on the ramp at this time.

III. CDBG Project/Budget Lines

a. Handicapped Ramp

- i. Engineering
- ii. Construction

b. FY2020 CDBG Public hearing

- i. Open public hearing, Motion to open the CDBG Public hearing- motion made by Toni Dean, seconded by Patrick McHeffey, S. Brinkman states there is no public to be heard.
- ii. Read public notice- M Russo asks for a motion to dispense the reading of the public notice, motion made by Susan Brinkman, seconded by Donald Wachsmuth, motion carries.
- iii. Review projects approved and open- Summary of how CDBG funds are to be used. Matrix of codes and description of what projects are acceptable distributed to board members. Any project to improve the walkability in the village is very useful to the population of the village.
- iv. Discussion about incorporating street trees into the next sidewalk project. Lori Devlin is in charge of the village trees. Discussion about new techniques of planting trees to try to keep the roots from breaking the sidewalks. Street trees also assist with storm water.
- v. There are 3 more archways we would like to get completed. One would be next to Perabell, Toast and Hoshi.
- vi. We pulled back on the lighting on South Ocean due to other projects being in the works and the trolley tracks in the ground.

IV. Public Authority

a. 2021 Meeting Schedule

- i. First Thursday of the month for 2021 included with the schedule will be Audit and governance meetings. Summary of meetings throughout the year. To be sent out by M Russo to all board members.
- ii. Motion to adopt the meeting schedule as presented, motion made by Susan Brinkman, seconded by Toni Dean, vote, motion carries.

V. Other Business:

- a. D Wachsmuth reviews executive sessions procedure.
  - i. Executive session is not open to public,
  - ii. After identifying what the subject matter is, a motion would be made to go into executive session.
  - iii. A formal vote is not allowed in executive session to appropriate public money. if there are any decisions, they must be entered into the meeting minutes.
  - iv. If you are not comfortable or feel there is a conflict of interest, recuse yourself from the vote.

VI. Public to be heard

VII. Motion to adjourn by Member Patrick McHeffey seconded by Member Susan Brinkman, vote motion carries.

VIII. Meeting adjourned at 6:47 pm.

Next Meeting January 7<sup>th</sup>, 2021



## Agenda Summary

Audit Report of 2020

### Background

The Village Board approved the Audit for FY 2020 at its December Meeting. The CDA Board must now accept the Audit so it can be submitted to the State through the Authority Budget Office PARIS system. The Federal Single Audit will also be submitted to HUD and to the Town of Brookhaven. The Financial Audit Report is accessible at the CDA webpage: <http://www.patchoguevillage.org/Docs/CDA-docs/2020/financial-statements.pdf>

### Additional Information

#### ATTACHMENTS:

Description	Upload Date	Type
Federal Single Audit FY2020	1/5/2021	Cover Memo



**INCORPORATED  
VILLAGE OF PATCHOGUE**

**FEDERAL SINGLE AUDIT REPORT  
May 31, 2020**

**INCORPORATED VILLAGE OF PATCHOGUE**  
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**INCORPORATED VILLAGE OF PATCHOGUE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended May 31, 2020

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Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
<b>U. S. Department of Housing and Urban Development</b>			
Section 8 Housing Choice Vouchers	14.871	N/A	\$ 2,690,400
Passed through the County of Suffolk Community Development Block Grants/Entitlement Grants	14.218	N/A	<u>74,204</u>
<b>Toal Federal Awards Expended</b>			<u><u>\$ 2,764,604</u></u>

**INCORPORATED VILLAGE OF PATCHOGUE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended May 31, 2020

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Incorporated Village of Patchogue (Village) under programs of the federal government for the year ended May 31, 2020. 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). Because the Schedule presents only a selected portion of the operations of the Incorporated Village of Patchogue, it is not intended to and does not present the financial position and changes in fund balance of the Incorporated Village of Patchogue.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

Matching costs (the Village's share of certain program costs) are not included in the reported expenditures.

Pass-through numbers are presented where available.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the Village's financial reporting system.

**3. INDIRECT COST RATE**

The Incorporated Village of Patchogue has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**4. SUBRECIPIENTS**

No amounts were provided to subrecipients.

**5. OTHER DISCLOSURES**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the Village's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.



**INCORPORATED VILLAGE OF PATCHOGUE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended May 31, 2020

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**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

2019-001 and 2018-001. Special Tests and Provisions

Significant Deficiency

United States Department of Housing and Urban Development  
Section 8 Housing Choice Vouchers

CFDA No. 14.871

*Condition:* The Village maintains records to document the method used to determine that the rent to owner is reasonable in comparison to rent for other comparable unassisted units. There were instances where the Village did not maintain documentation on the conclusion of whether the rent is, or is not, reasonable.

*Current Status:* Corrective action taken.

2019-002 and 2018-002. Special Tests and Provisions

Significant Deficiency

United States Department of Housing and Urban Development  
Section 8 Housing Choice Vouchers

CFDA No. 14.871

*Condition:* On an annual basis, the Village reviews and updates the utility rate data. Typically the revised schedule of utility allowance is effective May 1<sup>st</sup> of the respective year. The Village prepares the required paperwork for housing assistance payment (HAP) contracts in advance of their expiration date. HAP contracts that have a renewal date subsequent to the May 1<sup>st</sup> schedule of utility allowance effective date, have their paperwork prepared prior to May 1<sup>st</sup>. When the revised schedule of utility allowance becomes effective, the Village does not review previously prepared HAP contract paperwork to determine if there should be a change in the utility allowance reflected.

*Current Status:* Corrective action taken.

**INDEPENDENT AUDITOR'S 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***

To the Board of Trustees  
Incorporated Village of Patchogue  
Patchogue, New York

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

We have audited the Incorporated Village of Patchogue, New York's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Incorporated Village of Patchogue's major federal programs for the year ended May 31, 2020. The Incorporated Village of Patchogue's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Incorporated Village of Patchogue's major federal programs 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 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). Those standards and the Uniform Guidance 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 Incorporated Village of Patchogue'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 each major federal program. However, our audit does not provide a legal determination of the Incorporated Village of Patchogue's compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, the Incorporated Village of Patchogue complied, in all material respects, with the types of 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, 2020.

## **Report on Internal Control Over Compliance**

Management of the Incorporated Village of Patchogue 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 Incorporated Village of Patchogue's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Incorporated Village of Patchogue'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 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 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 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, each major fund, the total non-major funds, and the fiduciary fund of the Incorporated Village of Patchogue as of and for the year ended May 31, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated November 30, 2020 which included an adverse opinion on the governmental activities because the Village did not comply with the requirements of GASB Statements No. 75 and 73 to report information concerning postemployment benefits other than pensions and the Village's liability for the Service Award Program, and the Village did not record depreciation expense on capital assets, as required by accounting principles generally accepted in the United States of America. Our audit was conducted 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. 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 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 financial statements as a whole.

*Cullen & Danowski, LLP*

November 30, 2020

**INCORPORATED VILLAGE OF PATCHOGUE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended May 31, 2020

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**1. SUMMARY OF AUDITOR'S RESULTS**

- A. The auditor's report expresses an adverse opinion on whether the financial statements of the Incorporated Village of Patchogue were prepared in accordance with GAAP
- B. No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements.
- C. No instances of noncompliance material to the financial statements of the Incorporated Village of Patchogue were disclosed during the audit.
- D. No significant deficiencies in internal control over major programs are reported for the Incorporated Village of Patchogue.
- E. The auditor's report on compliance for the major programs expresses an unmodified opinion.
- F. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in Part 3 of this Schedule.
- G. The program tested as major program was:

United States Department of Housing and Urban Development  
Section 8 Housing Choice Vouchers

CFDA No. 14.871

- H. The dollar threshold used to distinguish between Type A and B programs was \$750,000.
- I. The Incorporated Village of Patchogue did not qualify as a low-risk auditee.

**2. FINANCIAL STATEMENTS FINDINGS**

There are no findings to be reported.

**3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings or questioned costs to be reported.

**INCORPORATED VILLAGE OF PATCHOGUE**  
**CORRECTIVE ACTION PLAN**  
**For the Year Ended May 31, 2020**

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A corrective action plan for the year ended May 31, 2020, is not required.

