

**NASSAU COUNTY LOCAL ECONOMIC
ASSISTANCE CORPORATION**

SINGLE AUDIT REPORTS

Year Ended December 31, 2020

TABLE OF CONTENTS

	<u>Page No.</u>
Schedule of Expenditures of Federal Awards.....	1
Notes to Schedule of Expenditures of Federal Awards	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Report on Compliance for The Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	5-7
Schedule of Findings and Questioned Costs.....	8
Summary Schedule of Prior Year Audit Findings	9

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
<u>U.S. Department of the Treasury</u>			
Passed through Town of Hempstead, New York:			
Town of Hempstead's CARES Act Funding Coronavirus Relief Fund	21.019	N/A	\$ 2,000,000
Subtotal U.S. Department of the Treasury			<u>2,000,000</u>
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
Passed through Nassau County Office of Community Development, New York:			
CDBG-CV Funds CDBG-CV COVID-19	14.119	NIFS ID CQHH20000026	400,000
Subtotal U.S. Department of Housing and Urban Development			<u>400,000</u>
Total Expenditures of Federal Awards			<u>\$ 2,400,000</u>

See accompanying notes to schedule of expenditures of federal awards.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Nassau County Local Economic Assistance Corporation (the "Corporation") under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 schedules of expenditures of federal awards. Because the Schedule presents only a selected portion of the operations of the Nassau County Local Economic Assistance Corporation, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Nassau County Local Economic Assistance Corporation.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance based on the grant award date. Generally, for grants (including funding increments with modified terms and conditions) awarded after December 26, 2014, expenditures are recognized following the cost principles contained in the Uniform Guidance. The award date is based on the date the Federal award is signed by the authorized official of the Federal awarding agency.

Note 3 - Indirect Cost Rate

The Corporation has elected not to use the 10-percent de minimis indirect cost rate allowed by the Uniform Guidance.

**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

The Board of Directors
Nassau County Local Economic Assistance Corporation
Mineola, 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 business-type activities of the Nassau County Local Economic Assistance Corporation, a component unit of Nassau County, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Nassau County Local Economic Assistance Corporation's basic financial statements and have issued our report thereon dated March 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Nassau County Local Economic Assistance Corporation'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 Nassau County Local Economic Assistance Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nassau County Local Economic Assistance Corporation'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 Nassau County Local Economic Assistance Corporation'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, and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nassau County Local Economic Assistance Corporation'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 Nassau County Local Economic Assistance Corporation'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 Nassau County Local Economic Assistance Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
Hauppauge, New York
March 18, 2021

**Report on Compliance for the Major Federal Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance**

Independent Auditors' Report

The Board of Directors
Nassau County Local Economic Assistance Corporation
Mineola, New York

Report on Compliance for the Major Federal Program

We have audited the Nassau County Local Economic Assistance Corporation, a component unit of County of Nassau, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Nassau County Local Economic Assistance Corporation's major federal program for the year ended December 31, 2020. The Nassau County Local Economic Assistance Corporation's major federal program is identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Nassau County Local Economic Assistance Corporation'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 Nassau County Local Economic Assistance Corporation'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 the major federal program. However, our audit does not provide a legal determination of the Nassau County Local Economic Assistance Corporation's compliance.

Opinion on the Major Federal Program

In our opinion, the Nassau County Local Economic Assistance Corporation, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2020.

PKF O'CONNOR DAVIES, LLP
25 Suffolk Court, Hauppauge, NY 11788 | Tel: 631.434.9500 | Fax: 631.434.9518 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Report on Internal Control Over Compliance

Management of the Nassau County Local Economic Assistance Corporation 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 Nassau County Local Economic Assistance Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Nassau County Local Economic Assistance Corporation'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. 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.

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

We have audited the financial statements of the business-type activities of the Nassau County Local Economic Assistance Corporation as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Nassau County Local Economic Assistance Corporation's basic financial statements. We issued our report thereon dated March 18, 2021, which contained unmodified opinions on those financial statements. 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 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.

Purpose of this Report

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.

PKF O'Connor Davies, LLP

Hauppauge, New York

March 18, 2021

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020

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:

CFDA Numbers	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

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

NASSAU COUNT LOCAL ECONOMIC ASSISTANCE CORPORATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended December 31, 2020

Financial Statement Findings

None

Federal Award Findings

None