



City of Saratoga Springs, New York

Single Audit Reports

Year Ended December 31, 2021

City of Saratoga Springs, New York

Single Audit Reports

Year Ended December 31, 2021

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City of Saratoga Springs, New York

Schedule of Expenditures of Federal Awards

Federal Grantor/ Pass-through Grantor/ Program Title	December 31, 2021		
	Assistance Listing Number	Pass-through Grantor #	Federal Expenditures
United States Department of Housing and Urban Development/ Community Development Block Grants/Entitlement Grants	14.218	B20MC3-60017	\$ 226,323
Community Development Block Grants/Entitlement Grants	14.218	B18MC3-60017	8,178
Community Development Block Grants/Entitlement Grants	14.218	B19MC3-60017	378,207
			612,708
United States Department of Justice/ New York State Division of Criminal Justice Services/ Regional Drug Enforcement Task Force	16.579	TF07898733	50,440
Bureau of Justice Assistance/ Bulletproof Vest Partnership Program	16.607	BVP0103047	4,998
United States Department of Transportation/ New York State Department of Transportation/ Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D035384/1761.58	182,875
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D035900	39,247
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	D035900/1761.58	21,825
			243,947
National Highway Traffic Safety Administration/ New York State Department of Motor Vehicles/Governor's Traffic Safety Committee/ State and Community Highway Safety (Highway Safety Cluster)	20.600	DMV01-T005441-3700393	6,992
United States Department of Treasury Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	3,924,010
			\$ 4,843,095

N/A - Pass-through number not available from pass-through entity.

See accompanying Notes to 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*, and 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.

City of Saratoga Springs, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Saratoga Springs, New York (City) 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 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). The purpose of the Schedule is to present a summary of those activities of the City funded by the federal government or pass-through entities for the year ended December 31, 2021, using the accrual basis of accounting. For purposes of this Schedule, federal awards include assistance provided by a federal agency directly or indirectly in the form of grants, contracts, cooperative agreements, loans and loan guarantees, and other non-cash assistance.

Negative amounts, if any, on the Schedule represent adjustments or credits made to prior year expenditures in the normal course of business.

b. Relationship to Financial Statements

Federal award revenues are reported in the City's financial statements as federal aid. The City's government-wide financial statements are presented using the accrual basis. The Schedule presents only a selected portion of the activities of the City. It is not intended to, and does not, present either the financial position, statement of activities, or other changes in net assets of the City.

c. Direct and Indirect Costs

Expenditures for direct and indirect costs are recognized as incurred using the accrual method of accounting and in accordance with OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* and the Uniform Guidance. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

d. Matching Costs

Matching costs represent the City's share of certain program costs and are not included in the Schedule.

Note 2 - Noncash Assistance

There were no federal awards expended in the form of noncash assistance by the City during the year ended December 31, 2021.

Note 3 - Loans and Loan Guarantees

The City participates in the Community Development Revolving Loan Program and had \$163,150 in economic development and rehabilitation loans to recipients outstanding at December 31, 2021.

City of Saratoga Springs, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

Note 4 - Insurance

The City did not participate in any federal insurance programs during the year ended December 31, 2021.

Note 5 - Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under 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**

Mayor and Members of the City Council
City of Saratoga Springs, New York
Saratoga Springs, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Saratoga Springs, New York (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 19, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity'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 City'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST+Co.CPAs, LLP

Albany, New York
September 19, 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

Mayor and Members of the City Council
City of Saratoga Springs, New York
Saratoga Springs, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Saratoga Springs, New York's (City) 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 the City's major federal program for the year ended December 31, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 the major federal program. Our audit does not provide a legal determination of the City'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 City's federal programs.

Auditor's 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 City'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. Noncompliance 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 City'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 City'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 City'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 City'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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.



Report on Internal Control Over Compliance - Continued

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. We consider the deficiency in internal control over compliance described in the accompany schedule of findings and questioned costs as item 2021-001 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated September 19, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

BST + Co. CPAs, LLP

Albany, New York
September 19, 2022



City of Saratoga Springs, New York

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with U.S. 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? X Yes No
- Significant deficiency(ies) identified? Yes X None Reported

Type of auditor's report issued on compliance for major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee? Yes X No

City of Saratoga Springs, New York

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section II - Financial Statement Findings

No findings noted.

Section III – Federal Award Findings and Questioned Costs

2021-001. Schedule of Expenditures of Federal Awards

Highway Planning and Construction Cluster Listing Number 20.205

Criteria or specific requirement (including statutory, regulatory, or other citation): It is the responsibility of City management to design and implement internal controls that provide reasonable assurance over the completeness and accuracy of the Schedule of Expenditures of Federal Awards (SEFA).

Condition: During the course of the City's audit as of and for the year ended December 31, 2021, it was determined that federal expenditures related to the United States Department of Highway Planning and Construction, as passed through the State of New York, were incurred by the City during the year ended December 31, 2020. These federal expenditures were not reported within the City's SEFA for the year ended December 31, 2020.

Cause: Internal controls not operating as designed whereby the City was unable to ensure the issued SEFA was complete and accurate.

Effect or Potential Effect: As a result of the error, the City will be required to reissue the December 31, 2020 Single Audit report.

Questioned costs: None.

Identification as a repeat finding, if applicable. Not applicable.

Recommendation: We recommend policies and procedures are implemented by management of the City to verify the completeness and accuracy of the SEFA.

Views of responsible officials: As detailed within the Corrective Action Plan, management has agreed to the finding and recommendation above.

City of Saratoga Springs, New York

Corrective Action Plan Year Ended December 31, 2021



City of Saratoga Springs OFFICE OF COMMISSIONER OF FINANCE

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Director of Finance

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Receiver of Taxes

KAMERON D. KLIPPEL
Payroll Administrator

YVETTE JOHNSON
Finance Department Assistant

Federal Award Findings and Questioned Costs

2021-001. Schedule of Expenditures of Federal Awards

Corrective Action Plan

The Finance Department sends notifications regarding the importance of paying invoices timely to all departments of the City. Within these notifications, the Finance Department requests copies of any invoices being held for extenuating circumstances. In addition, the Finance Department communicates to each department of the City the importance of identifying grant funding to ensure the Finance Department is provided with pertinent documents related to the funding, the source of funding is identified, and to ensure reimbursements are being requested on time. This information is formally documented within the City's Finance Policy, which contains sections on year end payments and accounting guidelines for allowable costs. These policies were not adhered to in relation to Highway Planning and Construction Cluster Listing Number 20.205.

The City will review the internal controls, policies and procedures associated with the completeness and accuracy of preparing the Schedule of Expenditures of Federal Awards to ensure its completeness and accuracy. Additionally, the City will communicate with the appropriate staff responsible for the preparation of the Schedule of Expenditures of Federal Awards.

Responsible Party and Anticipated Completion Date

Commissioner of Finance Minita Sanghvi

12/31/2022