



City of Saratoga Springs, New York

Single Audit Reports

Year Ended December 31, 2020

City of Saratoga Springs, New York

Single Audit Reports

Year Ended December 31, 2020

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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, 2020		
	CFDA #	Pass-through Grantor #	Federal Expenditures
United States Department of Housing and Urban Development/ Community Development Block Grants - Entitlement Grants	14.218	B20MC3-60017	\$ 33,378
Community Development Block Grants - Entitlement Grants	14.218	B18MC3-60017	91,775
Community Development Block Grants - Entitlement Grants	14.218	B19MC3-60017	441,967
			567,120
United States Department of Justice/ New York State Division of Criminal Justice Services/ Regional Drug Enforcement Task Force	16.579	TF07898733	37,459
Bureau of Justice Assistance/ Bulletproof Vest Partnership Program	16.607	BVP0103047	7,154
Equitable Sharing Program	16.922	N/A	27,038
			34,192
United States Department of Transportation/ New York State Department of Transportation/ Highway Planning and Construction Cluster	20.205	D035384/1761.58	2,101,633
Highway Planning and Construction Cluster	20.205	D035900	48,457
Highway Planning and Construction Cluster	20.205	D035900/1761.58	102,462
			2,252,552
National Highway Traffic Safety Administration/ New York State Department of Motor Vehicles/Governor's Traffic Safety Committee/ State and Community Highway Safety	20.600	DMV01-T005441-3700393	2,386
United States Department of Health and Human Services/ Provider Relief Fund	93.498	DOH01-T36239GG-3450000	100,293
			\$ 2,994,002

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, 2020

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, 2020. 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, 2020, 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, 2020.

Note 3 - Loans and Loan Guarantees

The City participates in the Community Development Revolving Loan Program and had \$190,547 in economic development and rehabilitation loans to recipients outstanding at December 31, 2020.

City of Saratoga Springs, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2020

Note 4 - Insurance

The City did not participate in any federal insurance programs during the year ended December 31, 2020.

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, 2020, 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 8, 2021. Our report includes emphasis of matter paragraphs for the adoption of a new accounting standard, changes in accounting principles and the correction of a misstatement.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

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*.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questions costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 8, 2021





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

We have audited the City of Saratoga Springs, New York's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City'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 the City'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 City'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 City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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 December 31, 2020.

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 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

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

Other Matters - Continued

This report is replacing our previously issued report dated September 8, 2021. Subsequent to September 8, 2021, the City identified a major program that was required to be tested, but was not included within the schedule of expenditures of federal awards. That major program, Highway Planning and Construction, CFDA Number 20.205, was added to the schedule of expenditures of federal awards.

Report on Internal Control Over Compliance

Management of the City 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 City'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 City'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a material weakness.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 8, 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.

BST + Co. CPAs, LLP

Albany, New York
September 8, 2021, except for our report on the Highway Planning and Construction Cluster, CFDA Number 20.205, for which the date is April 19, 2023



City Of Saratoga Springs, New York

Schedule of Findings and Questioned Costs Year Ended December 31, 2020

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

- Material weakness(es) identified? X Yes 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)?

 X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant - Entitlement Grants
20.205	Highway Planning and Construction

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 - Financial Statement Findings

2020-001. City Center Authority Capital Assets and Related Debt

Criteria: Accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB), require the capitalization and depreciation of assets within the City's City Center Authority enterprise fund and business-type activities.

Condition and Cause: During the year ended December 31, 2019, the City Center Authority incurred outlays for a certain project totaling approximately \$2,012,000. During the year ended December 31, 2020, outlays on the project continued, totaling approximately \$15,262,000, prior to the completion of the project in November 2020. The City Center Authority did not capitalize the costs associated with the project during the years ended December 31, 2019 and 2020 as required by U.S. GAAP.

City Of Saratoga Springs, New York

Schedule of Findings and Questioned Costs Year Ended December 31, 2020

Section II - Financial Statement Findings - Continued

2020-001. City Center Authority Capital Assets and Related Debt - Continued

Effect or potential effect: As a result, the City Center Authority's December 31, 2019 net position was required to be restated to correct the misstatement. In addition, audit adjustments were required to be recorded to the City Center Authority during the year ended December 31, 2020 to correctly reflect the capitalized costs associated with the project, as well as the project's related debt.

Recommendation: We recommend management of the City review the necessary processes and controls to ensure the complete and accurate reporting of the City Center Authority's capital assets and related debt. The City Center Authority should be working directly with the financial institution that pays construction costs associated with City Center Authority projects to ensure payments made by the financial institution reconcile with the City Center Authority's capital asset balances and related debt.

View of Responsible Officials: The City will review all internal controls associated with construction costs to ensure the City Center Authority's trial balance accurately and completely reflects all capitalized costs and related debt incurred on City Center Authority projects.

Section III – Federal Award Findings and Questioned Costs

2020-002. 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: 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 and were not reported within the SEFA as prepared by City management.

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 was 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 be 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
OFFICE OF COMMISSIONER OF FINANCE

MINITA SANGHVI
COMMISSIONER OF FINANCE

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HEATHER CROCKER
Deputy Commissioner

CHRISTINE A. GILLMETT-BROWN
Director of Finance

LAURA TOWNSEND
Receiver of Taxes

KAMERON D. KLIPPEL
Payroll Administrator

YVETTE JOHNSON
Finance Department Assistant

Federal Award Findings and Questioned Costs

2020-002. 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

12/31/2023