

CITY OF SARATOGA SPRINGS, NEW YORK

**NEW YORK STATE DEPARTMENT OF
TRANSPORTATION SINGLE AUDIT REPORT**

Year Ended December 31, 2012

CITY OF SARATOGA SPRINGS, NEW YORK
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TRANSPORTATION SINGLE AUDIT REPORT
Year Ended December 31, 2012

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR PROGRAMS
TESTED AND CONTROLS OVER STATE TRANSPORTATION ASSISTANCE
EXPENDED 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

Report on Compliance for Each Major Program

We have audited the City of Saratoga Springs, New York (City) compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (Draft Part 43 of NYCRR) that could have a direct and material effect on each state transportation assistance program tested for the year ended December 31, 2012. The City's major programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major programs is the responsibility of the City's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. 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 Draft Part 43 of NYCRR. Those standards and Draft Part 43 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 the major state transportation assistance programs 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the City complied in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state transportation assistance programs for the year ended December 31, 2012.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state transportation assistance programs tested. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance programs tested in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR, 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.

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 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 the 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 the internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance and its operation that we consider to be material weaknesses, as defined above. 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 described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations Accordingly, this report is not suitable for any other purpose.

Schedule of State Transportation Assistance Expended

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Saratoga Springs, New York as of December 31, 2012, and for the year then ended, and have issued our report thereon dated July 24, 2013, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the City's financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of State Transportation Assistance Expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Mayor, City Council, management, and the New York State Department of Transportation and is not intended to be and should not be used by anyone other than those specified parties.

Bollam Sheedy Torani & Co LLP

Albany, New York
July 24, 2013

CITY OF SARATOGA SPRINGS, NEW YORK

SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED

New York State Department of Transportation/ Program Title	Year Ended December 31, 2012	
	Program Number	Expenditures
Consolidated Highway Improvement Program	1100.00 (a)	\$ 546,748
Ballston Avenue Traffic	D033659	<u>3,551</u>
		<u>\$ 550,299</u>

(a) Municipal Code used for Consolidated Highway Program.

See accompanying Independent Auditor's Report on Compliance for Programs Tested and Controls Over State Transportation Assistance Expended Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

CITY OF SARATOGA SPRINGS, NEW YORK

**NOTES TO SCHEDULE OF STATE TRANSPORTATION
ASSISTANCE EXPENDED
Year Ended December 31, 2012**

NOTE 1 - GENERAL

The accompanying Schedule of State Transportation Assistance Expended of the City of Saratoga Springs, New York (City) presents the activity of all financial assistance programs provided by the New York State Department of Transportation.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of State Transportation Assistance Expended is presented using the modified accrual basis of accounting.

NOTE 3 - INDIRECT COSTS

There were no indirect costs.

NOTE 4 - MATCHING COSTS

There were no matching costs.

NOTE 5 - AMOUNTS PAID TO SUBRECIPIENTS

There were no subrecipients.

CITY OF SARATOGA SPRINGS, NEW YORK

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR STATE TRANSPORTATION ASSISTANCE EXPENDED
Year Ended December 31, 2012**

Section I - Summary of Results

Internal control over State transportation assistance expended:

Material weakness(es) identified	None reported
Significant deficiencies identified that are not considered to be material weakness(es)	None reported

Type of auditors' report issued on compliance for programs tested:	Unmodified
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Summary of audit findings:	N/A
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Identification of State Transportation Assistance Programs tested:

Consolidated Highway Improvement Program

Section II - Compliance Findings and Questioned Costs

No matters were reported.