

CITY OF ALBANY, NEW YORK

NEW YORK STATE SINGLE AUDIT REPORT

December 31, 2021

CITY OF ALBANY, NEW YORK

NEW YORK STATE SINGLE AUDIT REPORT

TABLE OF CONTENTS

	Page
Independent Auditor's Report on Compliance for State Transportation Assistance and on Internal Control Over Compliance Required by <i>Government Auditing Standards</i>	1-3
Schedule of Expenditures of State Transportation Assistance	4
Notes to Schedule of Expenditures of State Transportation Assistance	5
Schedule of Findings and Questioned Costs for Expenditures of State Transportation Assistance	6

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
STATE TRANSPORTATION ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Members of the City Council
City of Albany, NY

Report on Compliance

Opinion

We have audited the City of Albany, New York's compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYSCRR) that could have a direct and material effect on each of its state transportation assistance programs for the year ended December 31, 2021. The City of Albany, New York's state transportation assistance programs tested are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Albany, New York complied in all material respects with the requirements referred to above that could have a direct and material effect on each of its state transportation assistance programs for the year ended December 31, 2021.

Basis for Opinion

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 Draft Part 43 of NYSCRR. Our responsibilities under those standards and the Draft Part 43 of NYSCRR 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 of Albany, New York 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. Our audit does not provide a legal determination of the City of Albany'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 its state transportation assistance 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 generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Draft Part 43 of NYSCRR 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 on each of its state transportation assistance programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Draft Part 43 of NYSCRR, 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 audit requirements of Draft Part 43 of NYSCRR, 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.

Report on 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 state transportation assistance 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 state transportation assistance 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 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.

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.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing over internal control over compliance and the results of that testing based on the requirements of Draft Part 43 of NYSCRR. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Transportation Assistance Required by Preliminary Draft Part 43 of the New York State Codification of Rules and Regulations

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Albany, New York as of December 31, 2021 and for the year then ended, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 29, 2022 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 City of Albany, New York's basic financial statements. The accompanying schedule of expenditures of state transportation assistance is presented for purposes of additional analysis as required by preliminary Draft Part 43 of NYSCRR, 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 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 state transportation assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

UHY LLP

Albany, New York
September 29, 2022

CITY OF ALBANY, NEW YORK
SCHEDULE OF EXPENDITURES OF STATE TRANSPORTATION ASSISTANCE
For the Year Ended December 31, 2021

<u>Program Title</u>	<u>Contract #</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Improvement Program Capital Reimbursement Component	112001	\$ 2,582,023
Pedestrian Safety Action Plan	1760.92	<u>140,647</u>
Total		<u>\$ 2,722,670</u>

See Notes to Schedule of State Transportation Assistance Expended

CITY OF ALBANY, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF STATE
TRANSPORTATION ASSISTANCE
For the Year Ended December 31, 2021

NOTE 1 — GENERAL

The accompanying Schedule of State Transportation Assistance Expended of the City of Albany, New York 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 accrual basis of accounting.

NOTE 3 — MATCHING COST

Matching costs, i.e. the City's share of certain program costs, are not included in the reported expenditures.

CITY OF ALBANY, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
EXPENDITURES OF STATE TRANSPORTATION ASSISTANCE
For the Year Ended December 31, 2021

Summary of Audit Results:

Internal control over state transportation assistance expended:

- Material weakness identified: No
- Significant deficiencies identified that are not considered to be material weakness: No

Type of auditors' report issued on compliance for programs tested:

- Unmodified

Identification of State Transportation Assistance Programs Tested:

- Consolidated Local Street and Highway Improvement Program

New York State Transportation Assistance Findings and Questioned Costs:

No matters were reported.