

COUNTY OF SARATOGA, NEW YORK
Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report
December 31, 2023

COUNTY OF SARATOGA, NEW YORK

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INDEPENDENT AUDITORS' REPORT

Chairman and Members of the Saratoga
County Board of Supervisors
County of Saratoga, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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 County of Saratoga, New York (the County), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 County, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

We did not audit the financial statements of Saratoga County Industrial Development Agency, Saratoga County Water Authority and Saratoga County Prosperity Partnership, Inc., which represent 100%, 100% and 100%, respectively, of the assets, net position and revenues of the discretely presented component units as of December 31, 2023, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Saratoga County Industrial Development Agency, Saratoga County Water Authority and Saratoga County Prosperity Partnership, Inc. are based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Emphasis of Matter

As discussed in notes 1(r) and 19 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87 - "Leases," and Statement No. 96 - "Subscription-Based Information Technology Arrangements," during the year ended December 31, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 23, 2024

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis
December 31, 2023

Our discussion and analysis of the County of Saratoga, New York's (the County) financial performance provides an overview of the County's financial activities for the year ended December 31, 2023.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 12 and 13) provide information about the County as a whole and present a longer-term view of the County's finances and are referred to as the Government-wide financial statements. Governmental Fund financial statements begin on page 14. For Governmental Funds, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Governmental Fund financial statements also report the County's operations in greater detail than the Government-wide financial statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements. As a whole, the aforementioned items are the County's basic financial statements.

In addition to the basic financial statements, the annual report contains required supplementary information as dictated by the Governmental Accounting Standards Board (GASB) and other supplementary information in the form of combining statements for those funds that are not considered major funds and, therefore, are not presented individually in the basic financial statements.

Reporting the County as a Whole

Our analysis of the County as a whole begins on page 12, with the Government-wide financial statements. The statement of net position and the statement of activities report information about the County as a whole and about its activities in a way that helps answer the question of whether the County, as a whole, is better off or worse off as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the full-accrual basis of accounting. All of the current year's revenue and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the County's net position and changes in them. One can think of the County's net position, the residual of assets, deferred outflows of resources, liabilities and deferred inflows of resources, as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. One needs to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis, Continued

In the statement of net position and the statement of activities, we separate the County into two types of activities:

- **Primary Government:** All of the County's services are reported in this category, including public safety, public health, economic assistance, transportation, and general administration. Property and sales taxes, and New York State (the State) and Federal grants finance most of these activities.
- **Component Units:** The County includes the Saratoga County Industrial Development Agency, Saratoga County Water Authority and Saratoga County Prosperity Partnership, Inc. in its report as separate legal entities. Complete financial statements for these component units can be obtained from their respective administrative office.

Governmental Fund Financial Statements

Analysis of the County's major funds begins on page 14. The Governmental Fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting its legal responsibilities for using certain taxes and grants. The County's three kinds of funds - Governmental, Proprietary and Fiduciary - use different accounting approaches.

Governmental Funds: All of the County's services are reported in the Governmental Funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified-accrual accounting which measures cash and all other financial assets that can be readily converted into cash. The Governmental Fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

Proprietary Funds: When the County charges customers for the services it provides - whether to outside customers or to other units of the County - these services are generally reported in Proprietary Funds. Proprietary Funds report the same way all activities are reported in the statement of net position and the statement of activities. Saratoga County Sewer District is the only Proprietary Fund.

Fiduciary Funds: The County is the trustee, or fiduciary, for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported on the statements on pages 21 and 22.

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis, Continued

County of Saratoga General Information

The County is located in the upper Hudson Valley and foothills of the Adirondack Mountains and is part of the Census Bureau's Albany-Schenectady-Troy Standard Metropolitan Statistical Area. The County's 814 square miles include the cities of Saratoga Springs and Mechanicville, nineteen townships, and nine villages.

The County has more than 238,000 residents and has experienced strong population growth as evidenced by the 2023 Census, growing more than 19,000 residents since 2010. Saratoga is the fastest growing county out of 55 upstate New York counties during this time. The County's median household income of \$97,038 is the highest outside the NYC metro area, and nearly \$16,000 higher than the statewide average.

In 2024, US News & World Report ranked the County the #2 Healthiest County in New York State out of 62 counties statewide, and in the Top 50 nationally out of over 3,000 counties, placing it in the top 2%. These metrics included economy, education, public safety, equity, environment, and infrastructure, among others. The County also has both the lowest property tax rate and sales tax rate out of all 62 counties.

The County's economy is built on a diverse mix of industries with multiple well-established primary economic drivers. As of April 2024, the County has one of the lowest unemployment rates of any New York State County at 3.0%. While agriculture and tourism have been the County's largest industries, manufacturing is the fastest-growing segment of its economy. Its chief manufacturers produce microchips, chemicals, and electronic equipment. There are several nationally known manufacturers located within the County, along with multiple large national retailer logistics centers. One large Department of Defense facility for energy and propulsion research is located within the County at the Kesselring site in Milton.

The County is home to one of the world's largest semiconductor chip manufacturers, GlobalFoundries (Global), who in 2021 moved their Corporate Headquarters to Malta. Global currently operates a \$13 billion, two million square foot computer chip manufacturing facility in the Luther Forest Technology Park located in the Towns of Malta and Stillwater, employing more than 3,000 people with an average salary of over \$100,000. Global has announced plans to build a second chip manufacturing facility in Malta worth another \$12 billion, and adding another 1,000+ jobs, with construction expected to start in 2025. This will be one of the largest construction projects in the State. In addition, this will lead to more of Global's supply chain companies moving to the County to be close to this large, advanced manufacturing complex.

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis, Continued

The County is home to several internationally recognized tourist attractions. The County is well-known for horse racing and hosts the Saratoga Race Course, the oldest horse racing venue in the United States, and the Horse Racing National Hall of Fame. According to a 2023 Economic Impact Study conducted by the Saratoga Industrial Development Agency, the racetrack alone provides a total annual regional impact of 2,937 jobs, over \$157 million in wages and earnings, and more than \$371 million in sales (economic output) while also driving significant local tax revenues including sales tax, room taxes on lodging, property, admissions, and other sundry taxes. In 2024 and 2025, the racetrack will also host the last leg of the Triple Crown, the Belmont, which is expected to generate another \$50 million in economic impact over the four-day period, Belmont Festival period.

The County is also home to the renowned Saratoga Performing Arts Center, which is the summer home of the New York City Ballet and Philadelphia Orchestra, and host to dozens of Live Nation concerts each year from the biggest names in music. The Saratoga Battlefield National Historical Park, site of the turning point of the American Revolution, is nearby in Schuylerville. Another growing tourist segment is the Great Sacandaga Lake and Saratoga Lake, both of which are experiencing increasingly strong seasonal tourism visits.

The City of Saratoga Springs, with its rich Victorian-era history, has been nationally recognized and awarded several distinctions for its downtown area, seasonal celebrations, restaurants and pubs, and was the inspiration for Disney's Saratoga Springs Resort and Spa. The Saratoga Springs City Center has also become the centerpiece of the County's growing year-round convention and trade-show industry. Discover Saratoga, the county's Tourism Bureau estimated an economic impact of \$69.8 million for meetings and events held within the County. The Saratoga Casino & Raceway and the National Museum of Dance are also located in Saratoga Springs.

The County is served by a modern system of highways and roads, electricity throughout, and gas service in the urban areas. Broadband and wireless services are available to the vast majority of County residents. There are numerous water and sewer systems within the County, including the flagship Saratoga County Sewer District and Saratoga County Water Authority. The County boasts excellent schools and libraries, keeping pace with its expanding population. Many residents of its suburban areas work in nearby cities, such as Albany, Schenectady, Troy, and Glens Falls, although there is growing commuting from neighboring counties to Saratoga's manufacturers and other businesses.

Excellent higher education facilities are available in the area. Saratoga Springs is home to Skidmore College and hosts the Hudson Valley Community College North Campus in Malta, which specializes in STEM and semiconductor manufacturing training. The County is also close to Rensselaer Polytechnic Institute, Russell Sage College (both in Troy), the State University at Albany, Albany Medical College, Albany College of Pharmacy, Albany Law School, Union College in Schenectady, and Siena College in Loudonville. The County is also surrounded by four community colleges.

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis, Continued

The County is served by first-rate regional and local transportation facilities, including the Albany International Airport and the County's own regional airport in Milton, which is undergoing a \$35 million Terminal Expansion Project expected to open in 2025. Interstate 87 (the Adirondack Northway) carries traffic from the New York State Thruway exit in Albany, northward to the Canadian border. The County is served by Amtrak in Saratoga Springs, the Canadian Pacific Railroad, Pan Am Southern Railroad, and a large intermodal railyard operation in Mechanicville. The Capital District Transportation Authority provides both local and inter-city bus service. The New York State Canal System extends for 32 miles along the County's eastern border (Champlain Canal/Hudson River) and for 15 miles along its southern border (Erie Canal/Mohawk River).

County of Saratoga Government Services

Saratoga County government services are those typically provided by New York State counties. Much of any county's operation and finances are mandated by the State, and little flexibility or discretion is left to individual counties. In the case of Saratoga, the majority of its general revenue finances state mandated programs.

The services provided by County government are accounted for through a General Fund, County Road Fund, Road Machinery Fund, Employment and Training Fund, Federal Forfeitures Fund, various Capital Project Funds, as well as one Proprietary Fund. Through a separate fund, the County insures itself and most municipalities within the County for workers' compensation. The County also maintains a separate fund to self-insure its health insurance. Other services are provided by entities related to the County: the Saratoga County Industrial Development Agency, the Saratoga County Soil and Water District, the Saratoga County Water Authority, the Saratoga County Prosperity Partnership, Inc. and the Saratoga Lake Improvement District.

The County is also the custodian of a wide variety of funds held for the benefit of others. To the extent that these funds are in the custody of the County Treasurer, they are accounted for in a Fiduciary Fund and have been included in the fund-basis financial statements (but excluded from the government-wide statements, as prescribed by GASB).

The maintenance of the County's 99 bridges and 365 miles of highway are accounted for in two of the Special Revenue Funds on a modified-accrual basis. In 2023, \$28,110,780 was expended in these funds which is a decrease from the previous year of \$3,104,486. Another Special Revenue Fund accounts for the County's employment and training activities to the extent that they are paid for with Federal funds under the Work Force Investment Act. During 2023, \$902,035 was expended and reimbursed by the Federal government.

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis, Continued

Activities of the County's Sewer District that serves the southern and eastern portions of the County are accounted for in the County's Enterprise Fund. The Sewer District received sewage from greater than 72,000 "equivalent domestic units," through a 320-mile collector system and treated it at a 43.4 million-gallon/day treatment plant. The 2023 cost of the Sewer Fund was \$31,117,321, with revenue of \$31,590,287.

The wide variety of the remaining services provided by County government are accounted for in the County's General Fund, including:

- financial assistance and social services to the County's low-income population, the elderly, veterans, children at risk and children in general;
- public safety services such as a sheriff's road patrol, fire and other emergency response coordination and communications, a jail, and an animal shelter;
- education funding to those attending community college and to preschool children with special needs;
- health services to the general public in the form of public health service and mental health coordination and individual care in the form of home health care and mental health services;
- promotion of agriculture and tourism and other economic development activities;
- services to the court system including prosecution (District Attorney), recordkeeping (County Clerk), the holding of bail and other court funds (County Treasurer); and
- a variety of other services including the preservation and cataloging of important documents (County Clerk and Historian), motor vehicle offices, consumer protection, and environmental and forestry management.

The County serves the public and other levels of local government through the Planning Board, the Board of Elections, Real Property Tax Service, and the tax collection services of the County Treasurer. These services, together with the County's administrative costs and a small number of grants to community, historical, and cultural organizations, are provided at a total modified-accrual cost.

For the year ended December 31, 2023, the General Fund expended \$304,374,995 and real property tax revenue amounted to \$68,032,059. Many of these services are mandated by New York State and in several areas the expenditures themselves are mandated, with the County having little or no control over the expenditure level. In most cases, the County receives State and/or Federal reimbursement for some, but not all, of those expenditures.

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis, Continued

Analysis of the County's Budget and Fund-Basis Finances in 2023

The 2023 General Fund included \$27,479,282 in transfers to the Capital Projects, County Road and Road Machinery Funds. The County's Enterprise Fund, the Sewer District, had net operating income of \$472,966. The other budgeted funds were balanced without involving fund balance.

The County's actual expenditures in the General Fund during 2023 were \$26,468,788 under the modified budget amount. Actual revenue was greater than the modified budget by \$21,471. See details on page 74.

Analysis of the County's Government-Wide Financial Position During 2023

During 2023, the County's government-wide net position increased by \$845,942. Governmental activities net position increased by \$372,976 which was due in large part to actuarial changes related to other postemployment benefits. Business-type activities increased net position by \$472,966 as a result of operating revenue exceeding operating expenses.

Analysis of the County's Capital Investment and Bond Indebtedness

The County's net investment in capital assets at the end of 2023 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Related Debt</u>	<u>Net</u>
Land	\$ 4,820,105	-	-	4,820,105
Construction in progress	36,002,689	-	-	36,002,689
Buildings and improvements	264,931,703	(146,464,029)	(26,259,678)	92,207,996
Vehicles	34,312,039	(24,808,039)	-	9,504,000
Machinery and equipment	17,988,357	(14,407,819)	-	3,580,538
Infrastructure	298,550,059	(158,410,708)	(84,417,699)	55,721,652
Right-to-use subscription assets	5,587,355	(799,069)	(4,472,540)	315,746
Right-to-use assets	<u>5,798,320</u>	<u>(949,614)</u>	<u>(4,561,715)</u>	<u>286,991</u>
Totals	\$ <u>667,990,627</u>	<u>(345,839,278)</u>	<u>(119,711,632)*</u>	<u>202,439,717</u>

Debt related to buildings and improvements consists of \$6,974,650 in bond anticipation notes (BANs), \$19,200,000 in bonds and \$85,028 in premiums.

*Sewer District is responsible for \$84,507,823 of this amount, which consists of \$45,000,000 in BANs, subscription liability of \$75,678, lease liabilities of \$14,446, \$37,515,000 in bonds and \$3,322,899 in premiums, less \$1,420,200 of deferred losses on refunding.

COUNTY OF SARATOGA, NEW YORK
Management's Discussion and Analysis, Continued

Future Prospects for the County's Finances

In January 2021, Moody's Investors Service has upgraded the County issuer and general obligation limited tax (GOLT) ratings to Aa1 from Aa2. The upgrade to Aa1 reflects the County's continued financial strength and steadily growing tax base. The growing population and economy have led to growing property and sales taxes which have bolstered the County's reserve position.

In March 2023, Moody's reaffirmed the County's Aa1 rating with "no outlook" noting, "Saratoga County's credit position is excellent, and its Aa1 rating slightly exceeds the U.S. counties median of Aa2. Key credit factors include a very large tax base, a strong wealth and income profile and an exceptionally light debt burden." (The full Moody's Annual Comment should be read in its entirety and is available at www.moodys.com.)

The County is doing a regional biosolids facility and a relining of the Sewer District's interceptor. These projects will cost approximately \$62.9 million and will be funded through a combination of Environmental Facilities Corporation bond anticipation notes, an apportionment of the County's American Rescue Plan Act funding, and followed by permanent bond financing following completion of construction.

Requests for Additional Information

Additional information about the County's financial statements may be obtained from the Saratoga County Administrator's Office, County Municipal Center, 40 McMaster Street, Building 1, Ballston Spa, New York 12020.

COUNTY OF SARATOGA, NEW YORK
Statement of Net Position
December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current:				
Cash and equivalents	\$ 93,382,604	65,901,271	159,283,875	17,042,692
Taxes receivable, net of allowance	18,435,961	-	18,435,961	-
Accounts receivable	1,674,553	339,551	2,014,104	1,444,899
State and federal receivables	53,662,889	-	53,662,889	-
Due from other governments	11,383,833	-	11,383,833	-
Loans receivable	-	-	-	400,000
Lease receivables	19,121	-	19,121	-
Prepaid expenses	2,646,311	106,202	2,752,513	17,624
Inventories	2,010,366	-	2,010,366	-
Other assets	17,379	-	17,379	-
Restricted assets - cash and equivalents	74,330,594	-	74,330,594	3,918,984
Property held for development	-	-	-	168,138
Total current assets	<u>257,563,611</u>	<u>66,347,024</u>	<u>323,910,635</u>	<u>22,992,337</u>
Noncurrent assets:				
Lease receivables	4,303,953	-	4,303,953	-
Capital assets, net of accumulated depreciation	<u>164,975,502</u>	<u>157,175,847</u>	<u>322,151,349</u>	<u>65,189,619</u>
Total assets	<u>426,843,066</u>	<u>223,522,871</u>	<u>650,365,937</u>	<u>88,181,956</u>
Deferred outflows of resources:				
Loss on refunding	-	1,420,200	1,420,200	-
Pension	44,027,026	1,596,334	45,623,360	213,156
OPEB	<u>50,446,844</u>	<u>3,046,949</u>	<u>53,493,793</u>	<u>52,972</u>
Total deferred outflows of resources	<u>94,473,870</u>	<u>6,063,483</u>	<u>100,537,353</u>	<u>266,128</u>
Liabilities:				
Current:				
Accounts payable	17,156,994	12,902,123	30,059,117	214,274
Accrued liabilities	3,663,863	465,655	4,129,518	516,223
Due to other governments	33,722,676	-	33,722,676	400,000
Other liabilities	11,080,070	-	11,080,070	-
Bond anticipation notes	6,974,650	45,000,000	51,974,650	-
Subscription liabilities	633,711	37,136	670,847	-
Lease liabilities	582,748	6,435	589,183	-
General obligation bonds and premiums	<u>1,508,503</u>	<u>2,210,465</u>	<u>3,718,968</u>	<u>1,246,573</u>
Total current liabilities	<u>75,323,215</u>	<u>60,621,814</u>	<u>135,945,029</u>	<u>2,377,070</u>
Long-term liabilities:				
Subscription liabilities	3,763,151	38,542	3,801,693	-
Lease liabilities	3,964,521	8,011	3,972,532	-
General obligation bonds and premiums	17,776,525	38,627,434	56,403,959	48,392,763
Compensated absences	5,814,844	132,604	5,947,448	-
Self insured claims payable	17,650,000	-	17,650,000	-
Net pension liability	59,210,646	2,146,862	61,357,508	275,582
Total OPEB liability	<u>279,936,463</u>	<u>15,680,950</u>	<u>295,617,413</u>	<u>121,637</u>
Total long-term liabilities	<u>388,116,150</u>	<u>56,634,403</u>	<u>444,750,553</u>	<u>48,789,982</u>
Total liabilities	<u>463,439,365</u>	<u>117,256,217</u>	<u>580,695,582</u>	<u>51,167,052</u>
Deferred inflows of resources:				
Leases	4,166,122	-	4,166,122	-
Pension	5,147,646	186,644	5,334,290	19,233
OPEB	46,648,319	2,505,908	49,154,227	97,254
Unearned revenue	<u>4,535,986</u>	<u>-</u>	<u>4,535,986</u>	<u>-</u>
Total deferred inflows of resources	<u>60,498,073</u>	<u>2,692,552</u>	<u>63,190,625</u>	<u>116,487</u>
Net position:				
Net investment in capital assets	129,771,693	72,668,024	202,439,717	15,150,283
Restricted - self-insurance workers' compensation	20,955,979	-	20,955,979	-
Restricted - self-insurance health benefits	11,645,529	-	11,645,529	-
Restricted - other	55,673,990	-	55,673,990	3,918,984
Unrestricted (deficit)	<u>(220,667,693)</u>	<u>36,969,561</u>	<u>(183,698,132)</u>	<u>18,095,278</u>
Total net position	<u>\$ (2,620,502)</u>	<u>109,637,585</u>	<u>107,017,083</u>	<u>37,164,545</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Activities
Year ended December 31, 2023

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net Revenue (Expenses) and Changes in Net Position</u>			
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Primary Government</u>			<u>Component units</u>
					<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>	
Primary government:								
Governmental activities:								
General government support	\$ 142,346,672	13,563,029	18,743,014	-	(110,040,629)	-	(110,040,629)	-
Education	30,266,815	-	6,764,734	-	(23,502,081)	-	(23,502,081)	-
Public safety	83,769,320	20,457,251	1,897,282	-	(61,414,787)	-	(61,414,787)	-
Health	20,548,456	7,717,975	14,020,853	-	1,190,372	-	1,190,372	-
Transportation	39,470,354	4,071,571	2,837,094	5,065,066	(27,496,623)	-	(27,496,623)	-
Economic assistance and opportunity	70,363,476	4,978,102	30,151,753	-	(35,233,621)	-	(35,233,621)	-
Culture and recreation	932,436	1,688,332	79,154	-	835,050	-	835,050	-
Home and community services	5,744,550	587,698	6,012	-	(5,150,840)	-	(5,150,840)	-
Debt service	1,226,952	-	-	-	(1,226,952)	-	(1,226,952)	-
Total governmental activities	<u>394,669,031</u>	<u>53,063,958</u>	<u>74,499,896</u>	<u>5,065,066</u>	<u>(262,040,111)</u>	<u>-</u>	<u>(262,040,111)</u>	<u>-</u>
Business-type activities - Sewer District	<u>31,117,321</u>	<u>28,088,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,028,826)</u>	<u>(3,028,826)</u>	<u>-</u>
Total primary government	<u>\$ 425,786,352</u>	<u>81,152,453</u>	<u>74,499,896</u>	<u>5,065,066</u>	<u>(262,040,111)</u>	<u>(3,028,826)</u>	<u>(265,068,937)</u>	<u>-</u>
Component units:								
Saratoga County Industrial Development Agency	140,649	290,014	-	-	-	-	-	149,365
Saratoga County Water Authority	7,147,694	7,726,453	29,614	-	-	-	-	608,373
Saratoga County Prosperity Partnership, Inc.	111,428	-	92,932	-	-	-	-	(18,496)
Total component units	<u>\$ 7,399,771</u>	<u>8,016,467</u>	<u>122,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,242</u>
General revenue:								
Real property tax and related tax items					72,778,613	-	72,778,613	-
Non-property tax items					174,879,935	-	174,879,935	-
Sales of property and compensation for loss					2,602,717	34,740	2,637,457	-
Use of money and property					10,652,680	2,873,719	13,526,399	545,556
Miscellaneous local sources					1,499,142	593,333	2,092,475	7,000
Total general revenue					<u>262,413,087</u>	<u>3,501,792</u>	<u>265,914,879</u>	<u>552,556</u>
Change in net position					<u>372,976</u>	<u>472,966</u>	<u>845,942</u>	<u>1,291,798</u>
Net position (deficit) at beginning of year, as previously stated					(3,350,095)	109,159,546	105,809,451	35,872,747
Cumulative effect of change in accounting principles (note 19)					<u>356,617</u>	<u>5,073</u>	<u>361,690</u>	<u>-</u>
Net position (deficit) at beginning of year, as restated					<u>(2,993,478)</u>	<u>109,164,619</u>	<u>106,171,141</u>	<u>35,872,747</u>
Net position (deficit) at end of year					<u>\$ (2,620,502)</u>	<u>109,637,585</u>	<u>107,017,083</u>	<u>37,164,545</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and equivalents	\$ 67,254,277	7,633,278	2,649,874	77,537,429
Taxes receivable, net of allowance	18,435,961	-	-	18,435,961
Accounts receivable	1,013,745	-	403,387	1,417,132
State and federal receivables	47,095,537	4,643,658	1,923,694	53,662,889
Due from other governments	305,870	-	-	305,870
Leases receivable	4,323,074	-	-	4,323,074
Due from other funds	2,353,961	-	-	2,353,961
Other assets	17,379	-	-	17,379
Restricted assets - cash and equivalents	<u>53,374,615</u>	<u>-</u>	<u>-</u>	<u>53,374,615</u>
Total assets	<u>\$ 194,174,419</u>	<u>12,276,936</u>	<u>4,976,955</u>	<u>211,428,310</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	12,112,025	3,128,703	1,005,986	16,246,714
Bond anticipation notes	-	6,974,650	-	6,974,650
Due to other governments	32,772,823	-	949,853	33,722,676
Due to other funds	-	-	2,353,961	2,353,961
Other liabilities	<u>11,080,070</u>	<u>-</u>	<u>-</u>	<u>11,080,070</u>
Total liabilities	<u>55,964,918</u>	<u>10,103,353</u>	<u>4,309,800</u>	<u>70,378,071</u>
Deferred inflows of resources	<u>20,687,864</u>	<u>-</u>	<u>541,363</u>	<u>21,229,227</u>
Fund balances:				
Nonspendable	17,379	-	-	17,379
Restricted	53,374,615	2,173,583	125,792	55,673,990
Assigned - Maplewood Manor retiree health benefits	4,675,719	-	-	4,675,719
Assigned - appropriated	6,018,756	-	-	6,018,756
Unassigned	<u>53,435,168</u>	<u>-</u>	<u>-</u>	<u>53,435,168</u>
Total fund balances	<u>117,521,637</u>	<u>2,173,583</u>	<u>125,792</u>	<u>119,821,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 194,174,419</u>	<u>12,276,936</u>	<u>4,976,955</u>	<u>211,428,310</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Reconciliation of the Balance Sheet - Governmental Funds to the
Statement of Net Position
December 31, 2023

Total fund balances - governmental funds	\$119,821,012
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term assets are not available in the current period and, therefore, are not reported in the funds.	7,421
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	164,975,502
Compensated absences are expensed as paid in governmental funds, expensed as incurred, and reflected as liability on the statement of net position.	(5,814,844)
Significant inventories of materials and supplies are included in the statement of net position as current assets.	2,010,366
Internal service funds net position are not reported in the governmental funds, but included in the statement of net position.	26,010,252
Deferred property tax revenue is not available to pay current period expenditures and is therefore deferred in the funds.	8,546,589
Deferred revenue from receivables not available to pay for current period expenditures and is therefore deferred in the funds.	4,069,088
Prepaid expenses are not reported in the governmental funds.	2,646,311
Some deferred inflows and outflows of resources are not reported in the governmental funds as they do not provide for or use current resources:	
Deferred outflows of resources - pension	44,027,026
Deferred outflows of resources - OPEB, net of \$27,181 reported in workers' compensation fund	50,419,663
Deferred inflows of resources - pension	(5,147,646)
Deferred inflows of resources - OPEB, net of \$4,921 reported in workers' compensation fund	(46,643,398)
Long-term liabilities that are not due and payable in the current period are not reported in the governmental funds:	
Subscription liabilities	(4,396,862)
Lease liabilities	(4,547,269)
General obligation bonds and premiums	(19,285,028)
Accrued interest	(249,694)
Net pension liability	(59,210,646)
Total OPEB liability, net of \$78,118 reported in the workers' compensation fund	<u>(279,858,345)</u>
Total net position of the governmental activities	<u>\$ (2,620,502)</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year ended December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue:				
Real property taxes	\$ 68,032,059	-	-	68,032,059
Real property tax items	3,651,589	-	-	3,651,589
Non-property tax items	174,879,935	-	-	174,879,935
Departmental income	12,832,768	-	1,788,628	14,621,396
Intergovernmental charges	4,667,663	-	927,896	5,595,559
Use of money and property	5,387,542	1,333,632	2,575,192	9,296,366
Licenses and permits	111,799	-	-	111,799
Fines and forfeitures	258,036	-	-	258,036
Sale of property and compensation for loss	2,518,550	-	84,167	2,602,717
Miscellaneous local sources	1,155,345	87,888	230,119	1,473,352
State aid	42,645,906	4,643,658	1,589,909	48,879,473
Federal aid	30,096,804	-	1,410,104	31,506,908
Total revenue	<u>346,237,996</u>	<u>6,065,178</u>	<u>8,606,015</u>	<u>360,909,189</u>
Expenditures:				
General government support	119,764,979	10,237,034	-	130,002,013
Education	30,268,386	-	-	30,268,386
Public safety	54,687,831	-	1,282,927	55,970,758
Health	23,536,522	-	-	23,536,522
Transportation	3,712,144	-	26,841,742	30,553,886
Economic assistance and opportunity	62,333,204	-	890,185	63,223,389
Culture and recreation	891,064	-	-	891,064
Home and community services	4,670,966	-	-	4,670,966
Debt service	4,509,899	-	24,023	4,533,922
Total expenditures	<u>304,374,995</u>	<u>10,237,034</u>	<u>29,038,877</u>	<u>343,650,906</u>
Other sources (uses):				
Proceeds from subscription liabilities	495,723	-	4,036	499,759
Proceeds from lease liabilities	3,542,092	-	1,801	3,543,893
Operating transfers in	-	5,166,035	22,313,247	27,479,282
Operating transfers out	<u>(27,479,282)</u>	-	-	<u>(27,479,282)</u>
Total other sources (uses)	<u>(23,441,467)</u>	<u>5,166,035</u>	<u>22,319,084</u>	<u>4,043,652</u>
Net change in fund balances	<u>18,421,534</u>	<u>994,179</u>	<u>1,886,222</u>	<u>21,301,935</u>
Fund balances (deficit) at beginning of year, as previously stated	99,023,324	1,179,404	(1,760,430)	98,442,298
Cumulative effect of change in accounting principles (note 19)	<u>76,779</u>	<u>-</u>	<u>-</u>	<u>76,779</u>
Fund balances (deficit) at beginning of year, as restated	<u>99,100,103</u>	<u>1,179,404</u>	<u>(1,760,430)</u>	<u>98,519,077</u>
Fund balances at end of year	<u>\$117,521,637</u>	<u>2,173,583</u>	<u>125,792</u>	<u>119,821,012</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
 Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances -
 Governmental Funds to the Statement of Activities
 Year ended December 31, 2023

Net change in fund balances - governmental funds		\$21,301,935
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$18,916,754	
Depreciation	(17,924,477)	
Loss on disposal	<u>(75,720)</u>	916,557
Changes in net position from internal service funds which are not reported in governmental funds but included in the statement of activities.		(410,168)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Subscription liabilities		378,621
Lease liabilities		(2,758,293)
Compensated absences		(2,412,287)
Accrued interest		(119,345)
Other postemployment benefits:		
Total OPEB liability	16,440,604	
Deferred outflows of resources - OPEB	7,434,269	
Deferred inflows of resources - OPEB	<u>(32,603,116)</u>	(8,728,243)
Pension:		
Net pension asset	(22,420,624)	
Net pension liability	(59,210,646)	
Deferred outflows of resources - pension	(2,558,126)	
Deferred inflows of resources - pension	<u>74,242,705</u>	(9,946,691)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,755,000
Some revenues are reported in the statement of activities that do not result in current financial resources and therefore are not reported as revenue in the governmental funds.		306,757
Expenditure for pensions and bond premiums within governmental funds are recorded as expenditures when paid. In the statement of activities, these items are allocated over the time period the items are consumed.		655,716
Expenditures for inventory within certain governmental funds are recorded as expenditures when paid. In the statement of activities, these costs are allocated over the time period the items are consumed.		<u>(566,583)</u>
Change in net position of governmental activities		<u>\$ 372,976</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities	Internal Service Funds		
	Enterprise Fund			
	Sewer District	Workers' Compensation	Health Benefits	Total
Assets:				
Current:				
Cash and equivalents	\$ 65,901,271	2,579,588	13,265,587	15,845,175
Accounts receivable	339,551	250,000	-	250,000
Due from other governments	-	11,077,963	-	11,077,963
Prepaid expenses	106,202	-	-	-
Restricted assets - cash and equivalents	-	20,955,979	-	20,955,979
Total current assets	<u>66,347,024</u>	<u>34,863,530</u>	<u>13,265,587</u>	<u>48,129,117</u>
Noncurrent assets - capital assets, net of accumulated depreciation	<u>157,175,847</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>223,522,871</u>	<u>34,863,530</u>	<u>13,265,587</u>	<u>48,129,117</u>
Deferred outflows of resources:				
Loss on refunding	1,420,200	-	-	-
Pension	1,596,334	-	-	-
OPEB	3,046,949	27,181	-	27,181
Total deferred outflows of resources	<u>6,063,483</u>	<u>27,181</u>	<u>-</u>	<u>27,181</u>
Liabilities:				
Current:				
Accounts payable	12,902,123	155,747	504,839	660,586
Accrued liabilities	465,655	3,663,863	-	3,663,863
Bond anticipation notes	45,000,000	-	-	-
Subscription liabilities	37,136	-	-	-
Lease liabilities	6,435	-	-	-
General obligation bonds and premiums	2,210,465	-	-	-
Total current liabilities	<u>60,621,814</u>	<u>3,819,610</u>	<u>504,839</u>	<u>4,324,449</u>
Long-term:				
Subscription liabilities	38,542	-	-	-
Lease liabilities	8,011	-	-	-
General obligation bonds and premiums	38,627,434	-	-	-
Compensated absences	132,604	-	-	-
Self insured claims payable	-	16,550,000	1,100,000	17,650,000
Net pension liability	2,146,862	-	-	-
Total OPEB liability	15,680,950	78,118	-	78,118
Total long-term liabilities	<u>56,634,403</u>	<u>16,628,118</u>	<u>1,100,000</u>	<u>17,728,118</u>
Total liabilities	<u>117,256,217</u>	<u>20,447,728</u>	<u>1,604,839</u>	<u>22,052,567</u>
Deferred inflows of resources:				
Pension	186,644	-	-	-
OPEB	2,505,908	4,921	-	4,921
Unearned revenue	-	73,339	15,219	88,558
Total deferred inflows of resources	<u>2,692,552</u>	<u>78,260</u>	<u>15,219</u>	<u>93,479</u>
Net position:				
Net investment in capital assets	72,668,024	-	-	-
Restricted - self-insurance workers' compensation	-	20,955,979	-	20,955,979
Restricted - self-insurance health benefits	-	-	11,645,529	11,645,529
Unrestricted (deficit)	36,969,561	(6,591,256)	-	(6,591,256)
Total net position	<u>\$ 109,637,585</u>	<u>14,364,723</u>	<u>11,645,529</u>	<u>26,010,252</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Revenue, Expenses, and Changes in Net Position -
Proprietary Funds
Year ended December 31, 2023

	Business-type Activities			
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>		
	<u>Sewer District</u>	<u>Workers' Compensation</u>	<u>Health Benefits</u>	<u>Total</u>
Operating revenue:				
Charges for services	\$ 28,088,495	-	-	-
Participant assessments	-	4,145,471	23,277,050	27,422,521
Use of money and property	2,873,719	857,764	491,129	1,348,893
Sale of property and compensation for loss	34,740	-	-	-
Miscellaneous local sources	<u>593,333</u>	<u>28,417</u>	<u>5,026,230</u>	<u>5,054,647</u>
Total operating revenue	<u>31,590,287</u>	<u>5,031,652</u>	<u>28,794,409</u>	<u>33,826,061</u>
Operating expenses:				
Costs of sales and services	18,714,757	-	-	-
Employee benefits	3,030,568	3,614,488	30,621,741	34,236,229
Debt service	2,178,495	-	-	-
Depreciation and amortization	<u>7,193,501</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>31,117,321</u>	<u>3,614,488</u>	<u>30,621,741</u>	<u>34,236,229</u>
Gain (loss) from operations	<u>472,966</u>	<u>1,417,164</u>	<u>(1,827,332)</u>	<u>(410,168)</u>
Net position at beginning of year, as previously stated	109,159,546	12,947,559	13,472,861	26,420,420
Cumulative effect of change in accounting principles (note 19)	<u>5,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position at beginning of year, as restated	<u>109,164,619</u>	<u>12,947,559</u>	<u>13,472,861</u>	<u>26,420,420</u>
Net position at end of year	<u>\$ 109,637,585</u>	<u>14,364,723</u>	<u>11,645,529</u>	<u>26,010,252</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2023

	Business-type Activities Enterprise			
	Fund	Internal Service Funds		
	<u>Sewer District</u>	<u>Workers' Compensation</u>	<u>Health Benefits</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from charges to customers and governmental funds	\$32,015,221	3,134,772	28,283,122	31,417,894
Cash paid for interest	(1,845,673)	-	-	-
Cash paid to employees and benefits	(2,483,410)	(2,055,530)	(30,202,868)	(32,258,398)
Cash paid for services and payables	<u>16,538,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>44,224,810</u>	<u>1,079,242</u>	<u>(1,919,746)</u>	<u>(840,504)</u>
Cash flows from non-capital financing activities - increase in restricted cash and equivalents	<u>-</u>	<u>(2,089,704)</u>	<u>-</u>	<u>(2,089,704)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(35,542,382)	-	-	-
Proceeds from bond anticipation notes	21,000,000	-	-	-
Repayments of long-term debt	<u>(2,260,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(16,802,382)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash and equivalents	27,422,428	(1,010,462)	(1,919,746)	(2,930,208)
Cash and equivalents at beginning of year	<u>38,478,843</u>	<u>3,590,050</u>	<u>15,185,333</u>	<u>18,775,383</u>
Cash and equivalents at end of year	<u>\$65,901,271</u>	<u>2,579,588</u>	<u>13,265,587</u>	<u>15,845,175</u>
Reconciliation of gain (loss) from operations to net cash provided by (used in) operating activities:				
Gain (loss) from operations	472,966	1,417,164	(1,827,332)	(410,168)
Depreciation expense	7,193,501	-	-	-
Changes in:				
Accounts receivable	424,934	75,000	143	75,143
Due from other governments	-	(1,978,074)	-	(1,978,074)
Due from other funds	24,000,000	-	-	-
Net pension asset	978,065	-	-	-
Deferred outflows of resources	(30,595)	(14,999)	-	(14,999)
Accounts payable and accrued liabilities	11,649,709	(417,302)	(72,256)	(489,558)
Subscription liabilities	75,678	-	-	-
Lease liabilities	(6,303)	-	-	-
Bond premium	(195,465)	-	-	-
Compensated absences	(13,223)	-	-	-
Self insured claims payable	-	1,978,074	-	1,978,074
Net pension liability	2,146,862	-	-	-
Total OPEB liability	(875,875)	13,185	-	13,185
Deferred inflows of resources	<u>(1,595,444)</u>	<u>6,194</u>	<u>(20,301)</u>	<u>(14,107)</u>
Net cash provided by (used in) operating activities	<u>\$44,224,810</u>	<u>1,079,242</u>	<u>(1,919,746)</u>	<u>(840,504)</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
 Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2023

	<u>Custodial Funds</u>	<u>Permanent Fund</u>	<u>Total Fiduciary Funds</u>
Assets - cash and equivalents	<u>\$1,828,261</u>	<u>118,844</u>	<u>1,947,105</u>
Liabilities:			
Due to other governments	1,164,750	-	1,164,750
Other liabilities	<u>663,511</u>	<u>-</u>	<u>663,511</u>
Total liabilities	<u>1,828,261</u>	<u>-</u>	<u>1,828,261</u>
Fiduciary net position	<u><u>\$ -</u></u>	<u><u>118,844</u></u>	<u><u>118,844</u></u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended December 31, 2023

	Custodial <u>Funds</u>	Permanent <u>Fund</u>	Total Fiduciary <u>Funds</u>
Additions:			
Bail	\$ 144,344	-	144,344
Court & Trust	583,575	-	583,575
Mortgage tax	7,796,479	-	7,796,479
Social Services trust	436,844	-	436,844
Tender offers	208,856	-	208,856
Union dues day dare	6,509	-	6,509
Confiscations	560	-	560
Interest earnings	<u>21,176</u>	<u>244</u>	<u>21,420</u>
Total additions	<u>9,198,343</u>	<u>244</u>	<u>9,198,587</u>
Deductions:			
Bail	142,196	-	142,196
Court & Trust	1,004,991	-	1,004,991
Mortgage tax	8,481,548	-	8,481,548
Social Services trust	582,723	-	582,723
Tender offers	187,297	-	187,297
Union dues day dare	6,224	-	6,224
Interest earnings	<u>21,176</u>	<u>-</u>	<u>21,176</u>
Total deductions	<u>10,426,155</u>	<u>-</u>	<u>10,426,155</u>
Change in fiduciary net position	(1,227,812)	244	(1,227,568)
Fiduciary net position at beginning of year	<u>1,227,812</u>	<u>118,600</u>	<u>1,346,412</u>
Fiduciary net position at end of year	<u>\$ -</u>	<u>118,844</u>	<u>118,844</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Net Position - Component Units
December 31, 2023

	Saratoga County Industrial Development Agency	Saratoga County Water Authority	Saratoga County Prosperity Partnership, Inc.	<u>Total</u>
Assets:				
Current:				
Cash and equivalents	\$ 4,790,552	12,079,621	172,519	17,042,692
Accounts receivable	-	1,444,899	-	1,444,899
Loans receivable	400,000	-	-	400,000
Prepaid expenses	-	17,624	-	17,624
Restricted assets - cash and equivalents	-	3,918,984	-	3,918,984
Property held for development	<u>168,138</u>	<u>-</u>	<u>-</u>	<u>168,138</u>
Total current assets	5,358,690	17,461,128	172,519	22,992,337
Noncurrent assets - capital assets, net of accumulated depreciation	<u>-</u>	<u>65,189,619</u>	<u>-</u>	<u>65,189,619</u>
Total assets	<u>5,358,690</u>	<u>82,650,747</u>	<u>172,519</u>	<u>88,181,956</u>
Deferred outflows of resources:				
Pension	-	213,156	-	213,156
OPEB	<u>-</u>	<u>52,972</u>	<u>-</u>	<u>52,972</u>
Total deferred outflows of resources	<u>-</u>	<u>266,128</u>	<u>-</u>	<u>266,128</u>
Liabilities:				
Current:				
Accounts payable	66,203	148,071	-	214,274
Accrued liabilities	-	516,223	-	516,223
Due to other governments	-	400,000	-	400,000
General obligation bonds	<u>-</u>	<u>1,246,573</u>	<u>-</u>	<u>1,246,573</u>
Total current liabilities	<u>66,203</u>	<u>2,310,867</u>	<u>-</u>	<u>2,377,070</u>
Long-term liabilities:				
General obligation bonds	-	48,392,763	-	48,392,763
Net pension liability	-	275,582	-	275,582
Total OPEB liability	<u>-</u>	<u>121,637</u>	<u>-</u>	<u>121,637</u>
Total long-term liabilities	<u>-</u>	<u>48,789,982</u>	<u>-</u>	<u>48,789,982</u>
Total liabilities	<u>66,203</u>	<u>51,100,849</u>	<u>-</u>	<u>51,167,052</u>
Deferred inflows of resources:				
Pension	-	19,233	-	19,233
OPEB	<u>-</u>	<u>97,254</u>	<u>-</u>	<u>97,254</u>
Total deferred inflows of resources	<u>-</u>	<u>116,487</u>	<u>-</u>	<u>116,487</u>
Net position:				
Net investment in capital assets	-	15,150,283	-	15,150,283
Restricted	-	3,918,984	-	3,918,984
Unrestricted	<u>5,292,487</u>	<u>12,630,272</u>	<u>172,519</u>	<u>18,095,278</u>
Total net position	<u>\$ 5,292,487</u>	<u>31,699,539</u>	<u>172,519</u>	<u>37,164,545</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Activities - Component Units
Year ended December 31, 2023

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net Revenue (Expense) and Changes in Net Position</u>			<u>Total</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Saratoga County Industrial Development Agency</u>	<u>Saratoga County Water Authority</u>	<u>Saratoga County Prosperity Partnership, Inc.</u>	
Saratoga County Industrial Development Agency	\$ 140,649	290,014	-	149,365	-	-	149,365
Saratoga County Water Authority	7,147,694	7,726,453	29,614	-	608,373	-	608,373
Saratoga County Prosperity Partnership, Inc.	111,428	-	92,932	-	-	(18,496)	(18,496)
Total component units	<u>\$ 7,399,771</u>	<u>8,016,467</u>	<u>122,546</u>	149,365	608,373	(18,496)	739,242
General revenue:							
Use of money and property				63,766	481,790	-	545,556
Miscellaneous local sources				-	7,000	-	7,000
Total general revenue				<u>63,766</u>	<u>488,790</u>	<u>-</u>	<u>552,556</u>
Change in net position				213,131	1,097,163	(18,496)	1,291,798
Net position at beginning of year				<u>5,079,356</u>	<u>30,602,376</u>	<u>191,015</u>	<u>35,872,747</u>
Net position at end of year				<u>\$ 5,292,487</u>	<u>31,699,539</u>	<u>172,519</u>	<u>37,164,545</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies

The basic financial statements of the County of Saratoga, New York (the County) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting policies of the County conform to GAAP as applicable to governmental units. A summary of the significant accounting policies consistently applied in the preparation of the accompanying basic financial statements follows.

In preparing the basic financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, the disclosure of contingent liabilities at the date of the basic financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

(a) Financial Reporting Entity

The County was established in 1791 and is governed by the general laws of the State of New York (the State) and various local laws and ordinances. The County Board of Supervisors (the Board), which is the legislative body responsible for the overall operation of the County, consists of 23 supervisors representing the 19 towns and 2 cities within the County. The Town of Clifton Park and the City of Saratoga Springs each are represented by two Supervisors. The Chairman of the Board, elected by the Board each year, is the Chief Executive Officer of the County. The Board also appoints a County Administrator and a Clerk of the Board. The County Administrator acts as the Budget Officer. The County Treasurer, elected at large to a four-year term, is the Chief Fiscal Officer of the County. The County Clerk, Sheriff, and District Attorney are constitutional officials and are elected in accordance with constitutional provisions.

The County provides the following basic services: general government support, education assistance for County residents attending community colleges, public safety, social services, health, road maintenance, public improvements, and a part-county sewer system. The County administers the Employment and Training Program for Saratoga, Warren, and Washington Counties.

The financial reporting entity consists of (a) the primary government which is the County, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the County and/or its citizens, or whether the activity is conducted within the geographic boundaries of the County and is generally available to its citizens. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities.

Based on the application of these criteria, a brief review of each potential component unit addressed in defining the County's reporting entity follows:

Included in the Reporting Entity:

Saratoga County Industrial Development Agency - The Saratoga County Industrial Development Agency (the IDA) was created in 1971 by the New York State Legislature pursuant to Article 18-A and Section 890-h of the General Municipal Law. The members of the IDA Board are appointed by the County Board of Supervisors. The County provides office space to support its operations. The IDA is considered a component unit of the County and is discretely presented. Complete financial statements of the component unit can be obtained from its administrative office: Administrative Office, Saratoga County Industrial Development Agency, 50 West High Street, Ballston Spa, New York 12020.

Saratoga County Water Authority - The Saratoga County Water Authority (the Authority) was created by the New York State Legislature. The governing board of the Authority is appointed by the Board. Currently, the County provides no subsidy to the Authority, but ultimately is responsible for debt or operating deficits of the Authority. The Authority's debt is essentially supported by its operating revenue. The Authority is considered a component unit of the County and is discretely presented. The County does not appoint management of the Authority nor does it approve the Authority's budget, contracts, or hiring of staff. The County has no oversight responsibility for funds of the Authority. The Authority is comprised of 7 board members, 3 of whom are on the County Board.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

Saratoga County Prosperity Partnership, Inc. - The Saratoga County Prosperity Partnership, Inc. (the Partnership) is a special purpose, local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. The County is the sole member of the Partnership, but separate and apart from the County. Although it qualifies as criteria as a blended component unit of the County, management of the County determined that its activity is not material to the primary government and has elected to report it as a discretely presented component unit. The Partnership receives the majority of its support from the County.

Excluded From the Reporting Entity - Although the following organizations, functions, or activities are related to the County, they are not included in the County reporting entity because of the reasons noted:

Saratoga County Soil and Water Conservation District - The Saratoga County Soil and Water Conservation District (the District) was created by the New York State Legislature. The governing board of the District is appointed by the County Board. The County is not responsible for operating deficits of the District. The District cannot issue any debt. The County does not appoint management of the District nor does it approve the District's budget, contracts, or hiring of staff. The County has no oversight responsibility for the funds of the District.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets and deferred outflows of resources less current liabilities and deferred inflows of resources) or economic resources (all assets, deferred outflows of resources, liabilities and deferred inflows of resources). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the Proprietary Funds. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. This measurement focus and basis of accounting is similar to private sector reporting.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

The Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheet. The statement of revenue, expenditures, and changes in fund balances of these funds present increases (i.e. revenue and other financing sources) and decreases (i.e. expenditures and other financial uses) in fund balance.

Under the modified accrual basis of accounting, Governmental Funds revenue is recognized when susceptible to accrual (i.e., when it becomes both measurable and available). “Measurable” means the amount of the transaction can be reasonably determined and “available” means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when the County receives resources before it has a legal claim to them, as when grant monies, general State aid, and other intergovernmental aid are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflow is removed from the applicable balance sheet and revenue is recognized. The County follows GAAP and considers property taxes available if they are collected within 60 days after year-end. Property taxes determined to be collectible after the 60-day period are recorded as deferred inflows. In addition to property taxes, governmental revenue susceptible to accrual includes sales tax, State and Federal aid, and certain other significant revenues. Fines, permits, and other miscellaneous revenue are not susceptible to accrual because generally they are not measurable until received.

Governmental Fund expenditures are recorded when the fund liability is incurred except that:

- Payment of prepaid expenses and purchase of inventory type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method used in the government-wide financial statements.
- Principal and interest on indebtedness are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Compensated absences, such as vacation leave and compensation time, which vest or accumulate with eligible employees, are recorded as expenditures in the payroll period that the leave credits are used by employees.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

- Current pension costs payable to the New York State and Local Employees' Retirement System (the System) are recorded as expenditures when billed by the System.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

(c) Government-Wide and Fund Financial Statements

The basic financial statements include the following sections: management's discussion and analysis, government-wide financial statements, fund financial statements, the aggregate discretely presented component units, and notes to financial statements.

The government-wide financial statements include the statement of net position and the statement of activities. These statements report all of the County's non-fiduciary activities and eliminate most of the interfund activity normally included in the County's separate fund financial statements. Governmental activities, which are the County's main activities financed primarily by taxes and other intergovernmental revenue, are reported separately from business-type activities, which are intended to be self-sustaining activities financed by charges to customers using the services.

The statement of net position presents the financial condition of the County's activities at year-end. The statement of activities presents a comparison between direct expenses needed to provide specific services and the program revenue that is generated by those services. Program revenue includes charges for services, operating grants and capital grants generated by and related to the applicable activity. General revenue includes real property taxes, sales taxes, other non-property taxes, sale of property, and interest earnings. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenue needed to help finance the specific activities.

(d) Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The activities of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenue, and expenditures. The accounts of each fund are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. The County's fund types are as follows:

Fund Types:

Governmental Funds are those through which most governmental functions are financed.

The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through Governmental Funds. The County's Governmental fund types are as follows:

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Fund Accounting, Continued

(1) General Fund is the principal operating fund of the County and accounts for the general tax revenue, miscellaneous receipts not allocated by law or contractual agreement to another fund, and general operating expenditures. This fund operates within the financial limits of an annual budget adopted by the Board.

(2) Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds of the County include the following:

- County Road Fund is used to account for revenue generated to finance maintenance, repairs, and improvements to County roads and bridges, snow removal, and other transportation related purposes.
- Road Machinery Fund is used to account for revenue generated to finance purchases, repairs, and maintenance of highway machinery, tools, and equipment.
- Employment and Training Fund is used to account for Federal grants and other revenue generated to finance job training and employment activities.
- Federal Forfeitures Fund is used to account for moneys received from the Federal Equitable Sharing Program involving the proceeds of crime from Drug Enforcement Agency cases and certain moneys confiscated during police actions. This money is restricted to certain law enforcement activities.

(3) Capital Projects Funds are used to account for financial resources generated for the acquisition or construction of major capital assets for governmental activities. Financing is generally provided from proceeds of bonds, notes, Federal and State grants, and transfers from other Governmental Funds.

Proprietary Funds represent the County's business-type activities, and include Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report activities for which fees are charged to external customers for goods and services provided, and the County's fee pricing policies are designed to recover the costs of providing such services, including capital costs such as depreciation or debt service. Internal Service Funds may be used to report any activity that provides goods and services to other funds or departments on a cost-reimbursement basis.

The County reports the following Enterprise Fund:

- Sewer District Fund is used to report operations of the County's wastewater treatment facilities and sanitary sewer system that is provided to residents and organizations located within the County's Sewer District.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Fund Accounting, Continued

The County reports the following Internal Service Funds:

- Workers' Compensation Fund is used to account for the County's self-insured workers' compensation plan that provides workers' compensation insurance coverage for County employees and for other local governments and related organizations located within the County.
- Health Benefits Fund is used to account for the County's self-insured health benefits plan that provides health insurance coverage for County employees.

Proprietary Funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenue of these funds is charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Fiduciary Funds - These funds are used to account for fiduciary activities. Fiduciary activities are those in which the County acts as trustee or agent for resources that belong to others. These activities are not included in the County-wide financial statements because their resources do not belong to the County and are not available to be used. The following comprise the County's Fiduciary Funds:

- Custodial Fund is used to account for monies and other resources held by the County in a trustee or agent pending payment to the applicable agencies.
- Private Purpose Trust Fund is used to account for monies donated to the County to benefit certain private cemeteries and other non-County operations.
- Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used to support a cemetery within the County.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) General Budget Process

The County adopts an annual budget for the general, county road, road machinery, employment and training, sewer district and workers' compensation funds. Prior to November 15 of each year, the County Administrator submits to the Board a proposed tentative operating budget for the fiscal year commencing the following January 1. The operating budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to December 20, the budget is adopted by the Board. The County Administrator is authorized to approve budget transfer requests within departments within a fund; however, any revisions that alter total expenditures of any department or fund must be approved by the Board. These budgets are adopted on a basis consistent with GAAP.

Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects that remain in effect for the life of the project. Budgets are prepared for Proprietary Funds primarily to establish the estimated contributions required from other funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Open encumbrances at year-end are reported as reservations of fund balances since the commitments do not constitute expenditures or liabilities.

Budgetary controls for certain special grants are established in accordance with the applicable grant agreements, which may cover a period other than the County's fiscal year. Budgetary controls for the Federal Forfeitures Fund are established on an as needed basis after revenue has been received.

A comparison of General Fund transactions with the adopted and modified budgets is shown in the required supplementary information on page 74.

(f) Cash and Equivalents

The carrying amount of cash and equivalents at December 31, 2023 totaled \$233,614,469. These deposits were entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held by the County's agent in the County's name.

For purposes of the statement of cash flows, the Proprietary Funds consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(g) Lease Receivable

The County is a lessor for land and building premises. The County recognizes a lease receivable and a deferred inflow of resources in the financial statements.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Lease Receivable, Continued

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease-term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(h) Inventories

Inventories in the government-wide financial statements are comprised of general and highway supplies, medical, and other supplies and are valued at the lower of cost or market. In the Governmental Funds, expenditures are recognized when inventory is purchased.

(i) Capital Assets

Capital assets include property, buildings, vehicles, machinery and equipment, and infrastructure assets, such as roads and bridges. Capital assets are defined by the County as assets with an initial unit cost of \$10,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the County are depreciated using the straight-line method over the following useful lives.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Capital Assets, Continued

<u>Asset Class</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and Equipment:	
Vehicles	5
Computer equipment	5
Other equipment	5-10
Infrastructure:	
Roads	18
Bridges	50
Sewer infrastructure	30

(j) Leases Liabilities

The County is a lessee of equipment, office spaces and buildings. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and purchase option price that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Compensated Absences

As described in the union contract between the County and Local 846 of the Civil Service Employees' Association, employees are granted the following compensated absences each year:

Personal leave	1-4 days
Compensatory leave	as accrued
Vacation	10-25 days

Vacation days granted are increased on the basis of longevity of service to the maximum of 25 days. Vacation days do not vest. However, unused vacation days may be carried forward three months into the succeeding year upon approval by the Personnel Department. Accordingly, liabilities for leave time of \$5,814,844 and \$132,604 are reported as compensated absences for governmental activities and the business-type activities, respectively, in the government-wide financial statements.

(l) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

(m) Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

Deferred inflows of resources an increase in net position/fund balance in future periods. The County will not recognize the related revenues until a future event occurs. Governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the fiscal year) under the modified accrual basis of accounting and therefore are reported as deferred inflows of resources. Note 6 details the changes in deferred inflows of resources from modified accrual basis to accrual basis.

(n) Net Position and Fund Balance Classifications

In the government-wide statements equity is classified as net position and displayed in three components:

- i) Net investment in capital assets - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- ii) Restricted net position - consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Also included are positive fund balances of any special revenue funds.
- iii) Unrestricted net position - consists of net position without constraints.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Net Position and Fund Balance Classifications, Continued

Fund balance in the governmental funds is comprised of five classifications: nonspendable, restricted, committed, assigned, and unassigned.

- i) Nonspendable - consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, principal of endowments, and amounts due from other funds which have fund deficits.
- ii) Restricted - consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. At December 31, 2023, the County reported \$53,374,615 in the general fund, \$2,173,583 in the capital projects fund, \$125,792 in the federal forfeitures fund, \$20,955,979 in the workers' compensation fund, and \$11,645,529 in the health benefits fund.
- iii) Committed - consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by Board resolution, commit fund balance. There are no committed fund balances at December 31, 2023.
- iv) Assigned - consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. The County assigned \$6,018,756 for the 2024 budget in the general fund.

The Board of Supervisors has assigned through resolution to have the proceeds from the sale of Maplewood Manor Nursing Home available to meet future health benefit payments of former employees, with an assigned fund balance of \$4,675,719 at December 31, 2023.

- v) Unassigned - represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the County spends funds in the following order: restricted, committed, assigned, unassigned.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Real Property Taxes

The levy and collection of real property taxes is governed by the Real Property Tax Law of the State of New York. Real property taxes are levied each year and become a property lien on January 1. County taxes are levied together with town taxes as a single tax bill. The tax levy is fully accrued at the beginning of the fiscal year and accounted for in the general fund. Accruals for amounts due to other funds are recorded in the general fund for the portion of the tax levy allocated to other funds or activities. The current year's property taxes are levied based on the assessed value of real property within the County. The town tax collecting officials are responsible for collection of taxes until the warrant for collection expires on March 31. At that time, settlement proceedings take place wherein the County becomes the enforcement agent for tax liens on all County real property except property within the cities of Saratoga Springs and Mechanicville. These cities assess and collect all County taxes on property within the cities and serve as enforcement agent for tax liens on such property. County taxes collected by these cities are remitted to the County periodically.

The County enforces collection of unpaid taxes levied by the villages and non-city school districts located within the County. Uncollected tax accounts are returned to the County in November of each year for collection. Any amounts remaining unpaid are relieved in the County's subsequent January 1 tax levy. On or before the next April 1, the County is required to pay the villages and school districts the amount of unpaid taxes returned for collection and enforcement. Unpaid village and school taxes are included in the financial statements as taxes receivable, and are offset by corresponding liabilities to the applicable village and school district governments.

(p) Non-Property Taxes

The primary non-property tax item is sales tax. Effective June 1, 1982, the County enacted a 3% County-wide sales tax, which it shares with other local governments within the County.

(q) Fair Value

GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical asset or liabilities that the component units have the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable directly, or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Change in Accounting Principles

During the year ended December 31, 2023, the County adopted provisions of GASB Statement No. 87 - "Leases". This Statement provides guidance for identifying certain lease assets and liabilities that were previously classified as operating leases and recognized as inflows or outflows based on provisions of the contract.

During the year ended December 31, 2023, the County adopted provisions of GASB Statement No 96 - "Subscription-Based Information Technology Arrangements". The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements by governments.

(2) Cash and Investments

The County's investment policies are governed by State statutes. The County's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 102% of all deposits not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal government. Underlying securities must have a market value of at least 102% of the cost of the repurchase agreement.

For purposes of reporting cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposits and investments at year-end were covered by Federal depository insurance or by collateral held by the County's custodial banks in the County's name. All deposits, including certificates of deposit, are carried at cost. The carrying amount (book balance) of cash and equivalents at December 31, 2023 totaled \$235,561,574. These bank balances were covered by federal depository insurance as follows:

Amount insured by FDIC	\$ 1,750,000
Collateral held by a third party	<u>249,486,435</u>
Total insured and collateral	\$ <u>251,236,435</u>
Bank balance as of December 31, 2023	\$ <u>245,151,863</u>
Percent of coverage	102.5%

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(3) Lease Receivables

Lease receivables as of December 31, 2023 are comprised of the following individual agreements:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Maturity</u>	<u>Balance at December 31, 2023</u>
Providence - Building	2022	2.06%	1,088,755	2065	\$ 1,080,121
Luzerne - Land	2022	2.06%	1,089,799	2065	1,083,546
Lakeview - Land	2022	2.06%	1,088,638	2065	1,080,050
Edniburg - Land	2022	2.06%	1,088,020	2065	<u>1,079,357</u>
					<u>\$ 4,323,074</u>

Future minimum guaranteed principal and interest payments for the lease receivables and amortization of the related deferred inflows of resources are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 19,122	88,898	108,020	18,428
2025	26,175	88,445	114,620	25,225
2026	28,304	87,856	116,160	27,276
2027	28,892	87,267	116,159	27,843
2028	29,493	86,667	116,160	28,422
2029 - 2033	201,140	422,252	623,392	193,838
2034 - 2038	288,485	397,246	685,731	278,011
2039 - 2043	391,852	362,452	754,304	377,626
2044 - 2048	513,633	316,101	829,734	494,985
2049 - 2053	656,545	256,163	912,708	632,709
2054 - 2058	823,670	180,308	1,003,978	793,766
2059 - 2063	1,018,509	85,868	1,104,377	981,532
2064 - 2065	<u>297,254</u>	<u>4,564</u>	<u>301,818</u>	<u>286,461</u>
	<u>\$ 4,323,074</u>	<u>2,464,087</u>	<u>6,787,161</u>	<u>4,166,122</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(4) Capital Assets

A summary of changes in capital assets follows:

<u>Governmental Activities</u>	Balance December 31, <u>2022*</u>	Additions/ <u>transfers</u>	Retirements/ <u>transfers</u>	Balance December 31, <u>2023</u>
Capital assets that are not depreciated:				
Land	\$ 4,785,105	-	-	4,785,105
Construction in progress	<u>-</u>	<u>3,564,398</u>	<u>-</u>	<u>3,564,398</u>
Total nondepreciable assets	<u>4,785,105</u>	<u>3,564,398</u>	<u>-</u>	<u>8,349,503</u>
Capital assets that are depreciated and amortized:				
Buildings and improvements	82,400,716	118,849	-	82,519,565
Vehicles	30,790,461	1,872,486	-	32,662,947
Machinery and equipment	12,503,468	1,970,745	(813,789)	13,660,424
Infrastructure	185,493,037	7,346,623	-	192,839,660
Right-to-use subscription assets	4,977,728	499,759	(5,452)	5,472,035
Right-to-use assets	<u>2,353,402</u>	<u>3,543,894</u>	<u>(130,621)</u>	<u>5,766,675</u>
Total depreciable and amortizable assets	<u>318,518,812</u>	<u>15,352,356</u>	<u>(949,862)</u>	<u>332,921,306</u>
Total capital assets	<u>323,303,917</u>	<u>18,916,754</u>	<u>(949,862)</u>	<u>341,270,809</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	33,324,425	1,509,374	-	34,833,799
Vehicles	21,601,182	3,036,307	-	24,637,489
Machinery and equipment	11,689,341	607,134	(738,069)	11,558,406
Infrastructure	92,143,191	11,433,704	-	103,576,895
Right-to-use subscription assets	-	750,979	(5,452)	745,527
Right-to-use assets	<u>486,833</u>	<u>586,979</u>	<u>(130,621)</u>	<u>943,191</u>
Total accumulated depreciation and amortization	<u>159,244,972</u>	<u>17,924,477</u>	<u>(874,142)</u>	<u>176,295,307</u>
Net capital assets	\$ <u>164,058,945</u>	<u>992,277</u>	<u>(75,720)</u>	<u>164,975,502</u>

* Restated as described in note 19.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(4) Capital Assets, Continued

Depreciation and amortization expense was charged to the following governmental activities during 2023:

General government support	\$ 4,304,520
Public safety	5,053,319
Health	364,432
Transportation	6,921,893
Economic assistance and opportunity	486,794
Culture and recreation	70
Home and community services	<u>793,449</u>
Total governmental activities	<u>\$ 17,924,477</u>

	Balance December 31, <u>2022*</u>	Additions/ <u>Transfers</u>	Retirements/ <u>Transfers</u>	Balance December 31, <u>2023</u>
<u>Sewer District</u>				
Capital assets that are not depreciated:				
Land	\$ 35,000	-	-	35,000
Construction in progress	<u>-</u>	<u>32,438,291</u>	<u>-</u>	<u>32,438,291</u>
Total nondepreciable assets	<u>35,000</u>	<u>32,438,291</u>	<u>-</u>	<u>32,473,291</u>
Capital assets that are depreciated and amortized:				
Buildings and improvements	182,197,722	214,416	-	182,412,138
Vehicles	1,649,092	-	-	1,649,092
Machinery and equipment	3,769,209	558,725	-	4,327,934
Infrastructure	103,494,769	2,215,630	-	105,710,399
Right-to-use subscription assets	-	115,320	-	115,320
Right-to-use assets	<u>31,645</u>	<u>-</u>	<u>-</u>	<u>31,645</u>
Total depreciable and amortizable assets	<u>291,142,437</u>	<u>3,104,091</u>	<u>-</u>	<u>294,246,528</u>
Total capital assets	<u>291,177,437</u>	<u>35,542,382</u>	<u>-</u>	<u>326,719,819</u>

* Restated as described in note 19.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(4) Capital Assets, Continued

<u>Sewer District</u>	Balance December 31, <u>2022*</u>	Additions/ <u>Transfers</u>	Retirements/ <u>Transfers</u>	Balance December 31, <u>2023</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	\$ 107,357,870	4,272,361	-	111,630,231
Vehicles	170,550	-	-	170,550
Machinery and equipment	2,336,200	513,213	-	2,849,413
Infrastructure	52,480,028	2,353,785	-	54,833,813
Right-to-use subscription assets	-	47,719	-	47,719
Right-to-use assets	<u>5,823</u>	<u>6,423</u>	<u>-</u>	<u>12,246</u>
Total accumulated depreciation and amortization	<u>162,350,471</u>	<u>7,193,501</u>	<u>-</u>	<u>169,543,972</u>
Net capital assets	\$ <u>128,826,966</u>	<u>28,348,881</u>	<u>-</u>	<u>157,175,847</u>

* Restated as described in note 19.

Depreciation and amortization expense charged to the Sewer District during 2023 was \$7,193,501.

(5) Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services. These transactions are recorded as interfund revenues and expenditures in the respective funds.

Individual interfund receivable and payable balances at December 31, 2023 arising from these transactions were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 2,353,961	-
County Road	-	2,346,155
Employment and Training	<u>-</u>	<u>7,806</u>
Totals	\$ <u>2,353,961</u>	<u>2,353,961</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(5) Interfund Transactions, Continued

Interfund transfers during the year ended December 31, 2023 were as follows:

<u>Fund</u>	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General	\$ -	27,479,282
Capital Projects	5,166,035	-
County Road	21,575,299	-
Road Machinery	<u>737,948</u>	<u>-</u>
Totals	\$ <u>27,479,282</u>	<u>27,479,282</u>

(6) Deferred Inflows of Resources

Certain revenues have been deferred in the fund and/or governmental activities statements as the revenue relates to future reporting periods:

	<u>Governmental activities statement of net position</u>	<u>Balance sheet governmental funds</u>
Advance payments received	\$ 4,285,986	4,197,427
Federal and State aid	-	4,069,088
Long-term	250,000	250,000
Tax revenue	-	8,546,589
Leases	4,166,122	4,166,123
ERS pension deferred actuarial gain	5,147,646	-
OPEB deferred actuarial gain	<u>46,648,319</u>	<u>-</u>
	\$ <u>60,498,073</u>	<u>21,229,277</u>

(7) Due to Other Governments

As indicated in note 1(o), the County acts as a tax enforcement agent for its villages and non-city school districts. The County also receives other monies which are distributed to certain local governments. The following represents the liabilities “due to other governments” in the governmental activities at December 31, 2023:

Due to villages	\$ 466,426
Due to school districts	12,358,033
Due to other governments and agencies	<u>20,898,217</u>
	\$ <u>33,722,676</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(8) Bond Anticipation Notes

The County issued a \$51,974,650 Bond Anticipation Note (BAN) on September 21, 2023, maturing on September 20, 2024, bearing interest at 5.00% to finance various capital projects and sewer improvements.

(9) Lease Liabilities

Lease liabilities as of December 31, 2023 are comprised of the following agreements:

Governmental Activities

<u>Purpose</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance at December 31, 2023</u>
Office equipment	2022 - 2023	2.06%-3.72%	\$ 570,898	2024 - 2028	219,924
Copiers	2022 - 2023	2.06%-3.72%	141,078	2024 - 2028	85,884
Office space	2022 - 2023	2.06%-3.72%	4,551,287	2033 - 2034	4,047,385
Buildings	2022	2.06%	<u>326,342</u>	2026	<u>194,076</u>
			<u>\$ 5,589,605</u>		<u>4,547,269</u>

Interest expense of \$44,275 was recorded in the fund financial statements and \$63,350 in the Governmental Activities statement of activities for the year ended December 31, 2023.

The annual requirements to amortize debt outstanding as of December 31, 2023, including interest payments of \$744,063, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 582,748	134,978	717,726
2025	509,155	129,147	638,302
2026	489,346	113,626	602,972
2027	436,303	98,996	535,299
2028	426,577	84,545	511,122
2029 - 2033	2,076,979	182,681	2,259,660
2034	<u>26,161</u>	<u>90</u>	<u>26,251</u>
	<u>\$ 4,547,269</u>	<u>744,063</u>	<u>5,291,332</u>

Sewer District

<u>Purpose</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance at December 31, 2023</u>
Office equipment	2022	2.06%	\$ <u>26,407</u>	2025 - 2027	<u>14,446</u>

Interest expense of \$71 was recorded in the Sewer District statement of activities for the year ended December 31, 2023.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(9) Lease Liabilities, Continued

The annual requirements to amortize debt outstanding as of December 31, 2023, including interest payments of \$478, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,435	292	6,727
2025	6,568	159	6,727
2026	818	22	840
2027	<u>625</u>	<u>5</u>	<u>630</u>
	\$ <u>14,446</u>	<u>478</u>	<u>14,924</u>

(10) Subscription Liabilities

Subscription liabilities as of December 31, 2023 are comprised of the following agreements:

Governmental Activities

<u>Purpose</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance at December 31, 2023</u>
General government support	2023	3.72%	\$ 435,595	2024 - 2029	291,556
Public safety	2023	3.72%	4,860,014	2024 - 2032	4,037,019
Health	2023	3.72%	63,108	2025	41,108
Transportation	2023	3.72%	12,485	2024 - 2025	6,373
Economic assistance and opportunity	2023	3.72%	19,971	2024	9,551
Home and community services	2023	3.72%	<u>18,876</u>	2025	<u>11,255</u>
			\$ <u>5,410,049</u>		<u>4,396,862</u>

Interest expense of \$58,473 was recorded in the fund financial statements and \$169,001 in the Governmental Activities statement of activities for the year ended December 31, 2023.

The annual requirements to amortize debt outstanding as of December 31, 2023, including interest payments of \$730,143, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 663,711	163,279	826,990
2025	572,879	141,266	714,145
2026	486,498	119,587	606,085
2027	521,742	101,178	622,920
2028	541,485	81,435	622,920
2029 - 2032	<u>1,610,547</u>	<u>123,398</u>	<u>1,733,945</u>
	\$ <u>4,396,862</u>	<u>730,143</u>	<u>5,127,005</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(10) Subscription Liabilities, Continued

Sewer District

<u>Purpose</u>	<u>Year of Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance at December 31, 2023</u>
Home and community services	2023	3.72%	\$ <u>115,320</u>	2025	<u>75,678</u>

Interest expense of \$2,621 was recorded in the Sewer District statement of activities for the year December 31, 2023.

The annual requirements to amortize debt outstanding as of December 31, 2023, including interest payments of \$4,322, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 37,136	2,864	40,000
2025	<u>38,542</u>	<u>1,458</u>	<u>40,000</u>
	\$ <u>75,678</u>	<u>4,322</u>	<u>80,000</u>

(11) Long-term General Obligations

The following is a summary of the County's long-term general obligations:

Governmental Activities

	<u>Payable at December 31, 2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Payable at December 31, 2023</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Serial bonds	\$ 20,955,000	-	1,755,000	19,200,000	1,500,000	17,700,000
Bond premiums	<u>93,531</u>	-	<u>8,503</u>	<u>85,028</u>	<u>8,503</u>	<u>76,525</u>
	\$ <u>21,048,531</u>	-	<u>1,763,503</u>	<u>19,285,028</u>	<u>1,508,503</u>	<u>17,776,525</u>

Serial Bonds

\$5,180,000 MBBA Recovery Act bonds, due in annual installments of \$305,000 to \$365,000 through 2029, with interest at 6.564%.	\$ 2,005,000
\$24,105,000 Public Safety Building Serial bonds, due in annual installments of \$1,500,000 to \$1,955,000 through 2033, with interest at 3.0% to 3.5%.	<u>17,195,000</u>
Total serial bonds	\$ <u>19,200,000</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(11) Long-term General Obligations, Continued

The annual requirements to amortize outstanding bonds payable as of December 31, 2023 are as follows:

<u>2009 MBBA Recovery Act Bonds</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2024	\$ 305,000	131,608	436,608			
2025	315,000	111,588	426,588			
2026	330,000	90,911	420,911			
2027	340,000	69,250	409,250			
2028	350,000	46,933	396,933			
2029	<u>365,000</u>	<u>23,959</u>	<u>388,959</u>			
Total	<u>2,005,000</u>	<u>474,249</u>	<u>2,479,249</u>			
 <u>2018 Public Safety Building</u>						
2024	1,500,000	539,600	2,039,600			
2025	1,545,000	494,600	2,039,600			
2026	1,590,000	448,250	2,038,250			
2027	1,640,000	400,550	2,040,550			
2028	1,690,000	251,350	1,941,350			
2029-2033	<u>9,230,000</u>	<u>942,588</u>	<u>10,172,588</u>			
Total	<u>17,195,000</u>	<u>3,076,938</u>	<u>20,271,938</u>			
Total Governmental Funds	\$ <u>19,200,000</u>	<u>3,551,187</u>	<u>22,751,187</u>			
 <u>Enterprise Fund - Sewer District</u>						
<u>Sewer Fund</u>	Payable at December 31, <u>2022</u>	Additions	Payments	Payable at December 31, <u>2023</u>	Due Within <u>One Year</u>	Due in More Than <u>One Year</u>
Serial bonds	\$ 39,775,000	-	2,260,000	37,515,000	2,015,000	35,500,000
Bond premiums	<u>3,518,364</u>	-	<u>195,465</u>	<u>3,322,899</u>	<u>195,465</u>	<u>3,127,434</u>
	\$ <u>43,293,364</u>	-	<u>2,455,465</u>	<u>40,837,899</u>	<u>2,210,465</u>	<u>38,627,434</u>
 <u>Serial Bonds</u>						
\$18,200,000 County Sewer District serial bonds for 2014 expansion, due in annual installments of \$890,000 to \$1,225,000 through 2034, with interest at 2.5% to 3.25%.						\$ 11,530,000
\$31,135,000 County Sewer District serial bonds for 2016 refinancing of Bonds 2009A and 2010A totaling \$35,465,000, due in installments of \$1,125,000 to \$2,005,000 through 2040, with interest at 2% to 5%.						<u>25,985,000</u>
Total serial bonds						\$ <u>37,515,000</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(11) Long-term General Obligations, Continued

The annual requirements to amortize outstanding bonds payable as of December 31, 2023 are as follows:

<u>Serial Bonds - County</u>			
<u>Sewer District Bonds</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Sewer Expansion 2014</u>			
2024	\$ 890,000	340,000	1,230,000
2025	920,000	312,850	1,232,850
2026	955,000	284,725	1,239,725
2027	980,000	255,700	1,235,700
2028	1,015,000	225,775	1,240,775
2029-2033	5,545,000	643,756	6,188,756
2034	<u>1,225,000</u>	<u>19,906</u>	<u>1,244,906</u>
Total	<u>11,530,000</u>	<u>2,082,712</u>	<u>13,612,712</u>
<u>Sewer Expansion 2016</u>			
<u>(Refinancing of 2009A/2010A)</u>			
2024	1,125,000	951,731	2,076,731
2025	1,190,000	895,481	2,085,481
2026	1,255,000	835,981	2,090,981
2027	1,310,000	785,781	2,095,781
2028	1,350,000	759,581	2,109,581
2029-2033	7,715,000	2,854,506	10,569,506
2034-2038	9,180,000	1,364,694	10,544,964
2039-2040	<u>2,860,000</u>	<u>120,738</u>	<u>2,980,738</u>
Total	<u>25,985,000</u>	<u>8,568,439</u>	<u>34,553,493</u>
Total serial bonds	<u>\$ 37,515,000</u>	<u>10,651,205</u>	<u>48,166,205</u>

The above general obligation bonds are direct obligations of the County for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the County.

In the event that the County were to default on the bond principal or interest payments, a court has the power, in proper and appropriate proceedings brought by the bond owners, to render judgment against the County. A court has the power to order payment of a judgment on such bonds from funds lawfully available or to order the County to take all lawful action to obtain the funds including raising of the fund in the next annual tax levy.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(12) Retirement System

(a) Plan Description and Benefits Provided
Employees' Retirement System (ERS)

The County participates in the New York State and Local Employees' Retirement System (the System or ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York (the Comptroller) serves as the sole trustee administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County also participates in the Public Employees; Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retirement/publications or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 who generally contribute 3 percent of their salary for their entire length of service. Those joining on or after April 21, 2012 are required to contribute between 3 and 6 percent, dependent on salary, throughout their working careers. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(12) Retirement System, Continued

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the County reported the following liability for its proportionate share of the net pension liability for ERS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the County.

	<u>Governmental Activities</u>	<u>Sewer District</u>	<u>Total</u>
Measurement date	3/31/2023	3/31/2023	3/31/2023
Net pension liability	\$ 59,210,646	2,146,862	61,357,508
County's proportion of the Plan's net pension liability	0.02761171%	0.0100115%	0.2861286%
Change in proportion since the prior measurement date	0.0018448	(0.0019532)	(0.0001084)

For the year ended December 31, 2023, the County recognized pension expense of \$20,456,306 for ERS in the statement of activities. At December 31, 2023 the County's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>Governmental Activities</u>	<u>Sewer District</u>	<u>Total</u>
Differences between expected and actual experience	\$ 6,306,396	228,658	6,535,054
Changes of assumptions	28,756,508	1,042,655	29,799,163
Changes in proportion and differences between the County's contributions and proportionate share of contributions	1,025,186	37,171	1,062,357
County's contributions subsequent to the measurement date	<u>7,938,936</u>	<u>287,850</u>	<u>8,226,786</u>
Total	\$ <u>44,027,026</u>	<u>1,596,334</u>	<u>45,623,360</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(12) Retirement System, Continued

(b) Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

	<u>Deferred Inflows of Resources</u>		
	<u>Governmental Activities</u>	<u>Sewer District</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,662,858	60,292	1,723,150
Changes of assumptions	317,814	11,523	329,337
Net difference between projected and actual investment earnings on pension plan investments	347,860	12,613	360,473
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>2,819,114</u>	<u>102,216</u>	<u>2,921,330</u>
Total	\$ <u>5,147,646</u>	<u>186,644</u>	<u>5,334,290</u>

County contributions subsequent to the measurement date will be recognized as an addition to the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	<u>Governmental Activities</u>	<u>Sewer District</u>	<u>Total</u>
2024	\$ 7,008,803	254,126	7,262,929
2025	(3,717,600)	(134,793)	(3,852,393)
2026	11,768,734	426,711	12,195,445
2027	<u>15,880,507</u>	<u>575,796</u>	<u>16,456,303</u>
	\$ <u>30,940,444</u>	<u>1,121,840</u>	<u>32,062,284</u>

(c) Actuarial Assumptions

The total pension liability for the March 31, 2023 measurement date was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.9%
Salary increases	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost of living adjustments	1.5%

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(12) Retirement System, Continued

(c) Actuarial Assumptions, Continued

Annuitant mortality rates are based on April 1, 2015 - March 31 2020 System experience with adjustments for mortality improvements based of the Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2021 used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized as follows:

	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Asset class:		
Domestic equity	32.0%	4.30%
International equity	15.0%	6.85%
Private equity	10.0%	7.50%
Real estate	9.0%	4.60%
Opportunistic/ARS portfolio	3.0%	5.38%
Credit	4.0%	5.43%
Real assets	3.0%	5.84%
Fixed income	23.0%	1.50%
Cash	<u>1.0%</u>	0.00%
	<u>100.0%</u>	

* The real rate of return is net of the long-term inflation assumption of 2.50%.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(12) Retirement System, Continued

(e) Sensitivity of the Net Pension Liability to the Discount Rate

The following presents the County's the proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Employer's proportionate share of the net pension asset (liability):			
Sewer District	\$ (5,188,045)	(2,146,862)	394,400
Governmental Activities	<u>(143,086,734)</u>	<u>(59,210,646)</u>	<u>10,877,584</u>
Total	<u>\$ (148,274,779)</u>	<u>(61,357,508)</u>	<u>11,271,984</u>

(f) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of participating employers as of March 31, 2023, were as follows:

	(Dollars in Millions)
Measurement date	3/31/2023
Employers' total pension liability	\$(232,627)
Plan fiduciary net position	<u>211,183</u>
Employers' net pension liability	\$ <u>(21,444)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	90.8%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2023 represent the projected employer contribution for the period of April 1, 2023 through March 31, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying government-wide financial statements.

(13) Total Other Postemployment Liability

(a) Plan Description

The County provides a single-employer self-insured medical plan (the Plan) that offers two options. The Plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the County's Plan, which covers both active and retired members. Benefit provisions are established through negotiations between the County and the unions, representing employees, and are renegotiated at the end of each of the bargaining periods.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(13) Total Other Postemployment Liability, Continued

(a) Plan Description, Continued

Employees Covered by Benefit Terms - As of the measurement date of January 1, 2023, the following employees were covered by the benefit terms:

Retirees and survivors	840
Active employees	<u>987</u>
Total	<u>1,827</u>

(b) Actuarial Assumptions and Methods

The County's total OPEB liability of \$295,617,413 was determined by an actuarial valuation January 1, 2022 with update procedures used to roll forward the total OPEB liability to the measurement date.

Valuation Date	January 1, 2023
Measurement Date	January 1, 2023
Reporting Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Municipal Bond Index Rate	3.72%, as of the measurement date. Source: Bond Buyer Weekly 20-Bond GO Index
Salary Scale	3.0%
Rate of Inflation	2.7%
Mortality - Actives	The Pub-2010 Mortality Table for employees, sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Mortality - Retirees	The Pub-2010 Mortality Table for healthy retirees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Turnover	Rates of decrement due to turnover based on the experience for ERS. The rates are based on the experience study released by the Retirement Systems Actuary and published in their August 2020 Report.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(13) Total Other Postemployment Liability, Continued

(b) Actuarial Assumptions and Methods, Continued

Medical Trend Rates	7.8%
Ultimate Medical Trend Rate	4.14%
Year Ultimate Trend Rates Reached	2083

(c) Changes in Total OPEB Liability

	<u>Governmental Activities</u>	<u>Sewer District</u>	<u>Total</u>
Balance at December 31, 2022	\$ 296,363,882	16,556,825	312,920,707
Changes for the year:			
Service cost	10,939,544	452,031	11,391,575
Interest on total OPEB liability	6,234,072	343,930	6,578,002
Differences between expected and Actual experience	20,480,397	1,319,834	21,800,231
Changes in assumptions and other inputs	(44,724,409)	(2,365,147)	(47,089,556)
Benefit payments	<u>(9,357,023)</u>	<u>(626,523)</u>	<u>(9,983,546)</u>
Net changes	<u>(16,427,419)</u>	<u>(875,875)</u>	<u>(17,303,294)</u>
Balance at December 31, 2023	\$ <u>279,936,463</u>	<u>15,680,950</u>	<u>295,617,413</u>

(d) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.72%) or 1-percentage point higher (4.72%) than the current discount rate:

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Governmental Activities	\$ 323,168,846	279,936,463	245,022,598
Sewer District	<u>18,102,660</u>	<u>15,680,950</u>	<u>13,725,211</u>
Total OPEB liability	\$ <u>341,271,506</u>	<u>295,617,413</u>	<u>258,747,809</u>

(e) Sensitivity of the Total OPEB Liability Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend	1% Increase
Governmental Activities	\$ 240,827,003	279,936,463	329,778,223
Sewer District	<u>13,490,190</u>	<u>15,680,950</u>	<u>18,472,891</u>
Total OPEB liability	\$ <u>254,317,193</u>	<u>295,617,413</u>	<u>348,251,114</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(13) Total Other Postemployment Liability, Continued

(f) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the County recognized OPEB expense of \$19,151,726 for governmental activities and \$945,984 for the Sewer District. At December 31, 2023, the County reported deferred outflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Sewer District</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,155,657	6,064,559	-	343,876	17,155,657	6,408,435
Changes in assumptions or other inputs	22,866,946	40,583,760	1,271,869	2,162,032	24,138,815	42,745,792
County payments subsequent to the measurement date	<u>10,424,241</u>	<u>-</u>	<u>669,505</u>	<u>-</u>	<u>11,093,746</u>	<u>-</u>
Total	<u>\$ 50,446,844</u>	<u>46,648,319</u>	<u>1,941,374</u>	<u>2,505,908</u>	<u>52,388,218</u>	<u>49,154,227</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>	<u>Sewer District</u>	<u>Total</u>
2024	\$ 1,102,987	134,469	1,237,456
2025	2,618,873	211,309	2,830,182
2026	(2,290,475)	(84,690)	(2,375,165)
2027	(3,516,703)	(167,670)	(3,684,373)
2028	(3,914,132)	(191,277)	(4,105,409)
2029	<u>(626,266)</u>	<u>(30,605)</u>	<u>(656,871)</u>
	<u>\$ (6,625,716)</u>	<u>(128,464)</u>	<u>(6,754,180)</u>

(14) Commitments and Contingencies

(a) Litigation

The County is a defendant in various lawsuits, the outcome of which is not determinable at this time including claims related to the Saratoga County Jail and Saratoga County Sheriff Department.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

(14) Commitments and Contingencies, Continued

(b) Grant Programs

The County participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs may be conducted, in accordance with grantor requirements, on a periodic basis. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal.

(c) Contracts

The County has entered into various contracts with outside vendors for goods and services, which were unperformed at year-end. The County has provided authority to fund these transactions in the subsequent year's budget.

(d) Environmental Risks

Certain facilities are subject to Federal, State, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the County expect such compliance to have, any material effect upon the capital expenditures or financial condition of the County. Management believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable Federal, State, and local requirements.

(15) Internal Service Funds

The County established a self-insurance plan for workers' compensation under Local Law Nos. 1 and 2, 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality or public entity within the County for participation. There were 28 participants at December 31, 2023. The County is responsible for administration of the plan and its reserves. The plan purchases commercial insurance for employer's liability in third-party suits; the limit is \$1,000,000 with a retention of \$10,000. Settled claims have not resulted in a claim against this excess liability coverage since the inception of the plan.

As of January 1, 2016, the County established its own self-insurance health benefits plan. The County is responsible for administration and its reserves.

All funds of the County participate in the program and make payments to the internal service funds based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. A balance in the amount of \$20,955,979 was reserved at December 31, 2023 in the workers' compensation fund. A balance in the amount of \$11,645,529 was reserved at December 31, 2023 in the health benefits fund.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(15) Internal Service Funds, Continued

Claims and judgments are recognized in accordance with the requirements of GASB Statement No. 10 - “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,” which requires that claims and judgments be recognized when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated. Claims liabilities of \$16,550,000 and \$1,100,000 at December 31, 2023 have been set up as self-insured claims payable for a workers’ compensation liability and a health benefit liability, respectively. Changes in the claims liability for 2023 were:

	Balance December 31, <u>2022</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance December 31, <u>2023</u>
Workers’ compensation	\$ <u>14,571,926</u>	<u>5,592,562</u>	<u>3,614,488</u>	<u>16,550,000</u>
Health benefits	\$ <u>1,100,000</u>	<u>30,621,741</u>	<u>30,621,741</u>	<u>1,100,000</u>

(16) Concentration of Credit Risk

Financial instruments which potentially expose the County to concentrations of credit risk consist primarily of taxes receivable and tax sale certificates which are secured by property values throughout the County.

(17) Tax Abatements

As of December 31, 2023 the County tax abatement programs include abatements on property taxes, sales taxes and mortgage recording taxes. All abatements agreements are made by various area industrial development agencies, cities and townships.

Property Taxes

All property tax abatements are performed through Payment in Lieu of Tax (PILOT) agreements made by cities, townships and various area industrial development agencies. The PILOT agreements are made to support manufacturing, utilities and other purposes. Total amounts abated from PILOT agreements in each of these categories for the year ended December 31, 2023 is as follows:

Manufacturing	\$ 850,905
Other	<u>35,004</u>
	\$ <u>885,909</u>

PILOT agreements entered into by cities, townships and various area industrial development agencies other than Saratoga County IDA abated \$64,115 of County property taxes in 2023.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(18) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

On September 19, 2024, the County issued public improvement serial bonds in the amount of \$24,891,935, which carries an interest rate of 4.00% and matures September 1, 2054. The proceeds will redeem and permanently finance a \$24,000,000 portion of the outstanding \$51,974,650 BAN that mature on September 20, 2024 and provide an additional \$1,006,935 in new money for sewer interceptor rehabilitation and improvement.

On September 19, 2024, the County issued a BAN in the amount of \$20,905,000 which carries an interest rate of 3.75% and matures on September 19, 2025. The proceeds will partially redeem and renew a \$21,000,000 portion of the outstanding \$51,974,650 BAN that mature on September 20, 2024.

(19) Cumulative Effect of Changes in Accounting Principles

The County adopted provisions of GASB Statement No. 87 - "Leases" and Statement No. 96 - "Subscription-Based Information Technology Arrangements," during the year ended December 31, 2023. Fund balance and net position were restated as follows:

General Fund

Fund balance as of December 31, 2022, as previously stated	\$ 99,023,324
GASB Statement No. 87 adjustments:	
Lease receivable	4,496,037
Deferred inflows of resources	<u>(4,419,258)</u>
Total GASB Statement No. 87 adjustments	<u>76,779</u>
Fund balance as of December 31, 2022, as restated	\$ <u>99,100,103</u>

Governmental Activities

Net position (deficit) as of December 31, 2022, as previously stated	\$ (3,350,095)
GASB Statement No. 87 adjustments:	
Lease receivable	4,496,037
Right-to-use assets	2,353,402
Accumulated amortization	(486,833)
Lease liability	(1,788,976)
Deferred inflows of resources	<u>(4,419,258)</u>
Total GASB Statement No. 87 adjustments	<u>154,372</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(19) Cumulative Effect of Changes in Accounting Principles, Continued

Governmental Activities, Continued

GASB Statement No. 96 adjustments:	
Right-to-use subscription assets	\$ 4,977,728
Accumulated amortization	<u>(4,775,483)</u>
Total GASB Statement No. 96 adjustments	<u>202,245</u>
Total adjustments	<u>356,617</u>
Net position (deficit) as of December 31, 2022, as restated	\$ <u>(2,993,478)</u>

Sewer District

Net position as of December 31, 2022, as previously stated	19,159,546
GASB Statement No. 87 adjustments:	
Right-to-use assets	31,645
Accumulated amortization	(5,823)
Lease liability	<u>(20,749)</u>
Total GASB Statement No. 87 adjustments	<u>5,073</u>
Net position as of December 31, 2022, as restated	\$ <u>19,164,619</u>

(20) Detail Notes to Discretely Presented Component Units

(a) Saratoga County Industrial Development Agency

Organization and Purpose - The Saratoga County Industrial Development Agency (the Agency) was created in 1971 by the Saratoga County Board of Supervisor pursuant to Article 18-A of the General Municipal Law of the State of New York. The purpose of the Agency is to encourage economic growth in Saratoga County. The County appoints the Agency's governing board.

The Agency's function is to authorize the issuance of industrial revenue bonds for industrial development projects and to assist businesses in acquiring or constructing various facilities in order to provide job opportunities and increase economic welfare. In return for its efforts, the Agency receives application and closing fees related to this business financing.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(a) Saratoga County Industrial Development Agency, Continued

Industrial Development Revenue Bonds and Note Transactions - Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by these lease payments. The bonds and notes are not obligations of the Agency, the County, or New York State. The Agency does not record the assets or liabilities resulting from completed bond and note issuances in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this conduit debt financing service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. Industrial development revenue bonds issued and outstanding at December 31, 2023 were \$3,590,836.

Investment Policy - The Agency's investment policies are governed by statutes of the State. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Agency is authorized to use demand, money market accounts and certificates of deposit. Collateral is required for all deposits not covered by Federal deposit insurance. Deposits at December 31, 2023 were entirely covered by FDIC insurance or collateral investments, as required.

<u>Property Held for Development</u> -	Balance December 31, <u>2022</u>	Net Increases	Balance December 31, <u>2023</u>
Land for railroad spur	\$ <u>168,138</u>	<u>-</u>	<u>168,138</u>

(b) Saratoga County Water Authority

Organization - The Saratoga County Water Authority (the Authority) was created during 1990 as a public benefit corporation under New York State Public Authorities Law Title 8-F of Article 5. The Authority is a component unit of the County. The Authority is charged with providing water services for public benefit. A governing board of seven members, appointed by the chairperson of the Board of Supervisors of Saratoga County governs the Authority.

The Authority began operations during February 2010 with the substantial completion of the Saratoga County Water Treatment and Transmission Facilities System (the System). The System is designed to provide safe, reliable, and affordable drinking water to the residents of County.

Basis of Accounting - The Authority's financial statements are prepared using the accrual basis in accordance with GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With the measurement focus, all assets and liabilities associated with the operations are included on the statement of net position. Net position is segregated into restricted and unrestricted components, as follows:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances.
- Restricted net position has constraints placed on use by the Authority's revenue bonds.
- Unrestricted net position consists of assets, liabilities, deferred outflows and inflows that do not meet the definition of net investment in capital assets, net of related debt or restricted net position.

Revenue is recognized when earned and expenses are recognized when incurred. The Authority distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing water services. The principal operating revenue of the Authority is charges to customers for user services. Operating expenses include the costs associated with providing those user services. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates - In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Equivalents - Cash and equivalents consist of cash deposits and other short-term investments, with original maturities of three months or less.

Statutes authorize the Authority to maintain deposits with financial institutions and to invest in certificates of deposit, obligations of New York State, the United States Government and its agencies, and repurchase agreements collateralized by U.S. obligations.

Unrestricted cash deposits with financial institutions are either covered by federal depository insurance or collateralized by securities held by the pledging bank's trust department in the Authority's name, or U.S. Government and/or federal agency securities held by the Trustee. Restricted cash equivalents and investments are held in the Authority's name by their custodial agent and, therefore, not subject to custodial risk. The Authority's restricted cash equivalents are considered investments for cash flow statement purposes.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued

Accounts Receivable - Accounts receivable are carried at original invoice less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines if an allowance for doubtful accounts is needed by identifying troubled accounts and by using historical experience applied to an aging of accounts as well as regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. There was no allowance for doubtful accounts at December 2023.

Capital Assets, Net - Capital assets are recorded at cost, except for contributed property and equipment, which is recorded at fair market value or the contributor's net book value if fair market value is not readily ascertainable. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. The Authority uses a capitalization threshold of \$5,000 to analyze expenditures for capitalization. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to operations.

Interest expenses incurred during construction of assets are capitalized. Constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) include capitalized interest to the extent that interest cost over the asset construction period exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing.

Depreciation is provided for in amounts to prorate the cost of depreciable assets to operations over their estimated useful lives, using the straight-line method. The estimated useful lives established to determine depreciation for vehicles, machinery, and equipment vary from three to twenty years. Building and building improvements are depreciated over thirty years. Land improvements are depreciated over twenty years. Infrastructure is depreciated over forty years.

The Authority evaluated prominent events or changes in circumstances affecting property and equipment to determine if impairment of any capital assets has occurred. A capital asset is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. There were no impaired capital assets at December 31, 2023.

Tax Status - The Authority is exempt from federal income taxes under Internal Revenue Service Code Section 115.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued

Restricted Assets - In accordance with the terms of the Authority's bond indenture, the use of certain Authority assets is restricted for specific purposes as summarized below:

	December 31, <u>2023</u>
Debt service reserve fund	\$ 2,370,029
Debt service	<u>1,548,955</u>
Total assets held with fiscal agent	\$ <u>3,918,984</u>

Capital Assets, Net - A summary of the Authority's capital assets, net, is as follows:

	December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	December 31, <u>2023</u>
Capital assets that are not depreciated:				
Land and easement	\$ 1,289,988	332,851	-	1,622,839
Construction in progress	<u>40,756</u>	<u>36,079</u>	-	<u>76,835</u>
Total nondepreciable assets	<u>1,330,744</u>	<u>368,930</u>	-	<u>1,699,674</u>
Capital assets that are depreciated:				
Land improvements	1,961,969	21,846	-	1,983,815
Buildings and improvements	14,767,987	-	-	14,767,987
Infrastructure	72,644,253	-	-	72,644,253
Machinery and equipment	9,168,013	-	-	9,168,013
Vehicles	200,970	-	-	200,970
Office equipment and furniture	<u>85,558</u>	-	-	<u>85,558</u>
Total depreciable assets	98,828,750	21,846	-	98,850,596
Less accumulated depreciation	<u>(32,530,221)</u>	<u>(2,830,430)</u>	-	<u>(35,360,651)</u>
Capital assets, net	<u>\$ 67,629,273</u>	<u>(2,439,654)</u>	-	<u>65,189,619</u>

Related Party Agreement - On September 1, 2008, the Authority entered into a Service Agreement (the Agreement) with the County. The Agreement requires the Authority to construct, operate and maintain the Saratoga County Water System. In turn, the Agreement requires the County to pay a service fee, if needed, to the Authority based on the Authority's annual budget. The Authority is to repay the County for any and all amounts paid by the County as a service fee plus interest at 4%. The Agreement will terminate in 2048 with the maturity of the Authority's revenue bond. No amounts were due to the County at December 31, 2023.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued

The Authority closed on a \$10,000,000 short-term market rate financing with New York State Environmental Facilities Corporation on October 12, 2023, with an interest rate of 3.45%. The balance of the note payable was \$0 at December 31, 2023 as the related construction project (\$10 million water tank) had not been started, so no drawdowns had been made on the note.

Bonds Payable - At December 31, 2023, the Authority has outstanding bonds payable consisting of the following:

2014 Water System Revenue Bonds (original issue \$4,340,000) of which \$3,365,000 were refunded in 2021. Interest at 5%, matures in December 2026.	\$ 315,000
2016 Water System Refunding Revenue Bonds (original issue \$41,360,000) of which \$6,115,000 were refunded in 2021. Interest at rates ranging from 3.0% to 5.0%, maturing in December 2048.	29,795,000
2020 Environmental Facilities Corporation Drinking Water Statutory Installment Bond. Interest at rates ranging from .26% to 2.69%, maturing in December 2048.	1,070,000
2021 Water System Revenue Refunding Bonds. Interest at rates ranging from .68% to 3.02%, maturing in June 2044.	11,085,000
2022 Environmental Facilities Corporation Drinking Water Statutory Installment Bond. Interest at rates ranging from 3.07% to 4.91% maturing in 2052.	<u>7,616,573</u>
	49,881,573
Unamortized bond premium	2,608,079
Bond refunding price in excess of carrying amount	(2,850,317)
Current portion of bonds payable	<u>(1,246,573)</u>
Bonds payable, net of current portion	\$ <u>48,392,762</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued

Future maturities of bonds payable and related interest amounts are as follows:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ending December 31,	2024	\$ 1,246,573	1,917,099	3,163,672
	2025	1,295,000	1,862,426	3,157,426
	2026	1,355,000	1,811,333	3,166,333
	2027	1,405,000	1,754,428	3,159,428
	2028	1,465,000	1,698,401	3,163,401
	2029-2033	8,165,000	7,771,211	15,936,211
	2034-2038	10,030,000	6,749,109	16,779,109
	2039-2043	11,045,000	5,385,494	16,430,494
	2044-2048	12,195,000	3,539,945	15,734,945
	2049-2052	<u>1,680,000</u>	<u>1,849,851</u>	<u>3,529,851</u>
		<u>\$ 49,881,573</u>	<u>34,339,297</u>	<u>84,220,870</u>

Accrued Postemployment Benefits

Plan Description

GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Revenue, Expenses and Change in Net Position when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

Benefits Provided

The Authority provides postemployment healthcare benefits for certain eligible retirees.

The Authority provides medical benefits to its eligible retirees. The benefits are provided through fully insured plans.

Employees Covered by Benefit Terms

As of January 1, 2023, the following employees were covered by the benefit terms:

Inactive employees entitled to but not yet receiving benefit payments, inactive employees or beneficiaries currently receiving benefits payments	-
Active employees	<u>6</u>
Total participants covered by OPEB Plan	<u>6</u>

Total OPEB Liability

The Authority's total OPEB liability of \$121,637 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.26%
Healthcare cost trend rates:	
2023 trend (Pre 65/Post 65)	9.97%/9.97%
Ultimate trend (Pre 65/Post 65)	4.54%/4.54%
Year ultimate trend is reached	2090/2024
Salary increases	3.5%

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligations Index, based on the 20 year AA municipal bond rate as of December 31, 2021.

Mortality rates were based on the Pub-2010 General Employees Headcount - weighted monthly fully generated using Scale MP-2021 (Base Rate 2006).

Changes in the Total OPEB Liability

OPEB liability, beginning of year	\$ 204,346
Changes for the year:	
Service cost	18,722
Interest on total OPEB liability	3,840
Changes in assumptions or other inputs	(26,965)
Differences between expected and actual experience	<u>(78,306)</u>
OPEB liability, end of year	<u>\$ 121,637</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The January 1, 2023 valuation was prepared using a discount rate of 2.06%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower as well as the current discount rate.

	<u>Discount Rate</u>		
	1% <u>Decrease</u>	<u>Baseline</u>	1% <u>Increase</u>
Total OPEB liability	\$ <u>151,793</u>	<u>121,637</u>	<u>98,111</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The January 1, 2023 valuation was prepared using an initial trend rate of 9.97%. The following presents the total OPEB liability using a healthcare cost trend rate 1% higher and 1% lower as well as the current healthcare cost trend rate.

	<u>Healthcare Cost Trend Rate</u>		
	1% <u>Decrease</u>	<u>Baseline</u>	1% <u>Increase</u>
Total OPEB liability	\$ <u>90,744</u>	<u>121,637</u>	<u>164,575</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued
Commitments and Contingencies

Water Service Agreements - The Authority has entered into eleven separate water service agreements with the Clifton Park Water Authority, City of Mechanicville, Town of Ballston, Town of Malta, Town of Moreau, Town of Halfmoon, Town of Stillwater, Wilton Water and Sewer Authority, Village of Stillwater, Stewart's Corporation and Global Foundries US, Inc. Terms of said agreements are for the provision of water services and other services as described by the individual agreements. These agreements are for ten years subject to various conditions and qualifying events. 83% of operating revenue in 2023 was comprised of user fees received by the Authority related to three of the water service agreements.

Litigation - The Authority is also involved in other suits and claims (possible actions) arising from a variety of sources. It is the opinion of management and counsel that the liabilities that may arise from such possible actions would not result in losses that would materially affect the financial position of the Authority or the results of its operations.

Environmental Risks - Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Authority expect such compliance to have, any material effect upon the capital expenditures or financial condition of the Authority. The Authority believes that its current practices and procedures for control and disposition or regulated wastes comply with applicable federal, state, and local requirements.

Pension Plan

(1) General Information

The Authority participates in the New York State and Local Employees' Retirement System (the System). The System is a cost sharing multiple-employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued
Pension Plan, Continued

(1) General Information, Continued

Plan Description and Benefits Provided - The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as sole trustee and administrative head of the System. System benefits are established under provisions of the New York State Retirement and Social Security Laws. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retirement/publications or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined the System after July 27, 1976 who contribute 3% of their salary, for the first ten years of membership and employees who joined on or after January 1, 2010 who generally must contribute 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Chapter 260 of the laws of the State of New York allows local employers to bond or amortize a portion (limitations established by fiscal year) of their retirement bill up to 10 years for fiscal years ended March 31, 2005 through 2008. Chapter 57 of the laws of the State of New York allows local employers to amortize a portion (limitations established by fiscal year) of their retirement bill for 10 years for fiscal years ended March 31, 2011 and forward.

These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts. The Authority has not bonded or amortized any portion of their retirement obligations.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued
Pension Plan, Continued

(2) Pension Liability, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions

At December 31, 2023, the Authority reported a liability of \$275,582 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2023, the Authority's proportion was 0.0012851%, a decrease of 0.0000248 from December 31, 2022.

At December 31, 2023, the Authority reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 29,352	7,739
Changes of assumptions	133,840	1,479
Net difference between projected and actual investment earnings on pension plan investments	-	1,619
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,836	8,396
Employer contribution subsequent to the measurement date	<u>42,128</u>	<u>-</u>
	<u>\$ 213,156</u>	<u>19,233</u>

Contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 76,876
2025	(16,368)
2026	57,973
2027	<u>75,442</u>
	<u>\$ 193,923</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued

Pension Plan, Continued

(2) Pension Liability, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions, Continued

ERS Actuarial Assumptions - The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions.

Interest rate	5.9%
Salary increase	4.4%
Inflation rate	2.9%
Cost of living adjustments	1.5%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. The previous actuarial valuation as of April 1, 2021 used the used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset type:	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Domestic equity	32.0%	4.30%
International equity	15.0%	6.85%
Private equity	10.0%	7.50%
Real estate	9.0%	4.60%
Opportunistic/ARS portfolio	3.0%	5.38%
Credit	4.0%	5.43%
Real assets	3.0%	5.84%
Fixed income	23.0%	1.50%
Cash	<u>1.0%</u>	0.00%
	<u>100.0%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.50%.

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(b) Saratoga County Water Authority, Continued
Pension Plan, Continued

(3) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(4) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Employers' proportionate share of the net pension asset (liability)	\$ <u>(665,962)</u>	\$ <u>(275,582)</u>	\$ <u>50,627</u>

(5) Pension Plan Fiduciary Net Position

The components of the collective net pension liability of participating employers as of March 31, 2023 was as follows (in millions):

Employers' total pension liability	\$ (232,627)
Plan fiduciary net position	<u>211,183</u>
Employers' net pension liability	\$ <u>(21,444)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	<u>90.78%</u>

COUNTY OF SARATOGA, NEW YORK
Notes to Financial Statements, Continued

(20) Detail Notes to Discretely Presented Component Units, Continued

(c) Saratoga County Prosperity Partnership, Inc.

The Saratoga County Prosperity Partnership, Inc. (the Partnership) is a special purpose, local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. The Partnership is an instrumentality of, but separate and apart from the County. Although legally separate from the County, the Partnership is a component unit of the County and, accordingly, is included in the County's financial statements as a discretely presented component unit.

The Partnership's mission is to publicize and promote the advantages of the County and the region as a place where employers and entrepreneurs can successfully locate new and expanded operations. The Partnership, through its promotional program, shall attract and encourage prospective employers in a wide range of economic activity, including but not limited to manufacturing, agri-business, education, clean and renewable energy production and technology, business services, international trade, high tech and broadband services and infrastructure, information technology, research, and tourism to locate to or expand within the County.

Transactions with the County of Saratoga - The Partnership receives a contract each year from the County to provide economic development. 50% of all unused general fund monies must be returned at the end of the year. In 2023, there was no County appropriation to the Partnership. The Partnership does not owe any amount to the County at December 31, 2023.

(21) Future Implementations of GASB Pronouncements

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 102 - Certain Risk Disclosures. Effective for the fiscal years beginning after June 15, 2024.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

COUNTY OF SARATOGA, NEW YORK
Required Supplementary Information
Schedule of Revenue, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
Year ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Modified</u>	<u>Amounts</u>	
Revenue:				
Real property taxes	\$69,585,420	69,585,420	68,032,059	(1,553,361)
Real property tax items	4,328,517	3,578,517	3,651,589	73,072
Non-property tax items	152,676,096	164,476,096	174,879,935	10,403,839
Departmental income	12,254,305	12,403,862	12,832,768	428,906
Intergovernmental charges	5,145,282	5,298,919	4,667,663	(631,256)
Use of money and property	687,402	687,402	5,387,542	4,700,140
Licenses and permits	130,000	130,000	111,799	(18,201)
Fines and forfeitures	286,555	286,555	258,036	(28,519)
Sale of property and compensation for loss	2,435,000	2,435,000	2,518,550	83,550
Miscellaneous local sources	751,130	1,017,704	1,155,345	137,641
State aid	38,362,458	49,036,840	42,645,906	(6,390,934)
Federal aid	<u>24,497,661</u>	<u>37,280,210</u>	<u>30,096,804</u>	<u>(7,183,406)</u>
Total revenue	<u>311,139,826</u>	<u>346,216,525</u>	<u>346,237,996</u>	<u>21,471</u>
Expenditures:				
General government support	116,753,304	128,376,461	119,764,979	8,611,482
Education	30,232,943	31,768,013	30,268,386	1,499,627
Public safety	47,086,332	58,289,561	54,687,831	3,601,730
Health	20,406,522	21,882,519	23,536,522	(1,654,003)
Transportation	897,964	6,855,337	3,712,144	3,143,193
Economic assistance and opportunity	66,517,288	66,922,694	62,333,204	4,589,490
Culture and recreation	719,280	731,037	891,064	(160,027)
Home and community services	4,929,785	6,184,152	4,670,966	1,513,186
Debt service	<u>2,763,772</u>	<u>9,843,009</u>	<u>4,509,899</u>	<u>5,333,110</u>
Total expenditures	<u>290,307,190</u>	<u>330,852,783</u>	<u>304,374,995</u>	<u>26,477,788</u>
Excess of revenue over expenditures	20,832,636	15,363,742	41,863,001	26,499,259
Other financing sources (uses):				
Proceeds from subscription liabilities	-	-	495,723	495,723
Proceeds from lease liabilities	-	-	3,542,092	3,542,092
Operating transfers out	<u>(20,832,636)</u>	<u>(25,765,153)</u>	<u>(27,479,282)</u>	<u>(1,714,129)</u>
Total other financing sources (uses)	<u>(20,832,636)</u>	<u>(25,765,153)</u>	<u>(23,441,467)</u>	<u>2,323,686</u>
Net change in fund balance	<u>\$ -</u>	<u>(10,401,411)</u>	<u>18,421,534</u>	<u>28,822,945</u>
Fund balance at beginning of year, as previously stated			99,023,324	
Cumulative effect of changes in accounting principles (note 19)			<u>76,779</u>	
Fund balance at beginning of year, as restated			<u>99,100,103</u>	
Fund balance at end of year			<u>\$ 117,521,637</u>	

COUNTY OF SARATOGA, NEW YORK
Required Supplementary Information
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
December 31, 2023

<u>County-wide</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 11,391,575	11,350,620	10,544,394	7,692,238	8,155,233	7,586,537
Interest	6,578,002	6,542,073	8,248,224	9,924,357	8,734,993	8,864,916
Change in benefit terms	-	-	(283,342)	-	-	-
Differences between expected and actual experience	21,800,231	-	(11,878,812)	-	(2,697,158)	-
Changes in assumptions or other inputs	(47,089,556)	2,660,601	9,429,488	47,213,631	(16,827,874)	11,334,333
Benefit payments	<u>(9,983,546)</u>	<u>(9,740,721)</u>	<u>(8,875,047)</u>	<u>(8,544,483)</u>	<u>(8,993,383)</u>	<u>(8,910,324)</u>
Net change in total OPEB liability	(17,303,294)	10,812,573	7,184,905	56,285,743	(11,628,189)	18,875,462
Total OPEB liability, beginning	<u>312,920,707</u>	<u>302,108,134</u>	<u>294,923,229</u>	<u>238,637,486</u>	<u>250,265,675</u>	<u>231,390,213</u>
Total OPEB liability, ending	<u>\$295,617,413</u>	<u>312,920,707</u>	<u>302,108,134</u>	<u>294,923,229</u>	<u>238,637,486</u>	<u>250,265,675</u>
Covered payroll	\$ 69,726,423	69,526,591	62,659,161	60,402,915	60,402,915	58,384,878
Total OPEB liability as a percentage of covered payroll	424%	450%	482%	488%	395%	429%
 <u>Governmental Activities:</u>						
Total OPEB liability						
Service cost	\$ 10,939,544	10,849,584	10,110,080	7,380,590	7,708,421	7,191,227
Interest	6,234,072	6,195,323	7,805,917	9,384,991	8,256,417	8,402,994
Change in benefit terms	-	-	(257,498)	-	-	-
Differences between expected and actual experience	20,480,397	-	(11,242,598)	-	(2,549,385)	-
Changes in assumptions or other inputs	(44,724,409)	2,526,266	8,925,852	44,723,111	(16,577,024)	10,719,045
Benefit payments	<u>(9,357,023)</u>	<u>(9,179,894)</u>	<u>(8,383,188)</u>	<u>(8,082,585)</u>	<u>(8,500,650)</u>	<u>(8,446,036)</u>
Net change in total OPEB liability	(16,427,419)	10,391,279	6,958,565	53,406,107	(11,662,221)	17,867,230
Total OPEB liability, beginning	<u>296,363,882</u>	<u>285,927,603</u>	<u>278,969,038</u>	<u>225,562,931</u>	<u>237,225,152</u>	<u>219,357,922</u>
Total OPEB liability, ending	<u>\$279,936,463</u>	<u>296,318,882</u>	<u>285,927,603</u>	<u>278,969,038</u>	<u>225,562,931</u>	<u>237,225,152</u>
Covered payroll	\$ 66,027,811	65,847,897	59,303,215	57,135,354	57,093,539	55,342,634
Total OPEB liability as a percentage of covered payroll	424%	450%	482%	488%	395%	429%

(Continued)

COUNTY OF SARATOGA, NEW YORK
 Required Supplementary Information
 Schedule of Changes in the County's Total OPEB Liability and Related Ratios, Continued

<u>Sewer District:</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 452,031	456,036	434,314	311,648	446,812	395,310
Interest	343,930	346,750	442,307	539,366	478,576	461,922
Change in benefit terms	-	-	(25,844)	-	-	-
Differences between expected and actual experience	1,319,834	-	(636,214)	-	(147,773)	-
Changes in assumptions or other inputs	(2,365,147)	134,335	503,636	2,490,520	(250,850)	615,288
Benefit payments	<u>(626,523)</u>	<u>(560,827)</u>	<u>(491,859)</u>	<u>(461,898)</u>	<u>(492,733)</u>	<u>(464,288)</u>
Net change in total OPEB liability	(875,875)	376,294	226,340	2,879,636	34,032	1,008,232
Total OPEB liability, beginning	<u>16,556,825</u>	<u>16,180,531</u>	<u>15,954,191</u>	<u>13,074,555</u>	<u>13,040,523</u>	<u>12,032,291</u>
Total OPEB liability, ending	<u>\$ 15,680,950</u>	<u>16,556,825</u>	<u>16,180,531</u>	<u>15,954,191</u>	<u>13,074,555</u>	<u>13,040,523</u>
Covered payroll	\$ 3,698,621	3,678,694	3,355,946	3,267,561	3,309,376	3,042,244
Total OPEB liability as a percentage of covered payroll	424%	450%	482%	488%	395%	429%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
3.72%	2.06%	2.12%	2.74%	3.44%	3.44%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the County will present information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

COUNTY OF SARATOGA, NEW YORK
Required Supplementary Information
Schedule of County's Proportionate Share of the Net Pension Asset/Liability
Year ended December 31, 2023

	NYSERS Pension Plan								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>County-wide</u>									
County's proportion of the net pension asset (liability)	0.2861286%	0.2862370%	0.2723864%	0.2688397%	0.2598972%	0.2581054%	0.2596440%	0.2978990%	0.2998883%
County's proportionate share of the net pension asset (liability)	\$ 61,357,508	23,398,689	(271,226)	(71,190,299)	(18,414,508)	(8,330,210)	(24,396,728)	(47,813,621)	(10,130,958)
County's covered payroll	\$ 71,838,468	69,303,346	66,995,765	63,867,567	61,063,602	58,952,768	57,329,348	56,778,955	61,263,111
County's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	85.41%	33.76%	0.40%	111.47%	30.16%	14.13%	42.56%	84.21%	16.54%
Plan fiduciary net position as a percentage of the total pension liability	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
<u>Governmental Activities</u>									
Governmental activities proportion of the net pension asset (liability)	0.2761171%	0.2742723%	0.2608180%	0.2569144%	0.2479786%	0.2452426%	0.2471586%	0.2828585%	0.2833960%
Governmental activities proportionate share of the net pension asset (liability)	\$ 59,210,646	22,420,624	(259,707)	(68,032,424)	(17,570,038)	(7,915,069)	(23,223,577)	(45,303,272)	(9,624,412)
Governmental activities covered payroll	\$ 69,324,883	66,406,466	64,150,412	61,034,515	58,263,288	56,016,920	54,572,585	53,797,901	58,199,697
Governmental activities proportionate share of the net pension asset (liability) as a percentage of its covered payroll	85.41%	33.76%	0.40%	111.47%	30.16%	14.13%	42.56%	84.21%	16.54%
<u>Sewer District</u>									
Fund's proportion of the net pension asset (liability)	0.0100115%	0.0119647%	0.0115684%	0.0119253%	0.0119186%	0.0128628%	0.0124854%	0.0156405%	0.0164930%
Fund's proportionate share of the net pension asset (liability)	\$ 2,146,862	978,065	(11,519)	(3,157,875)	(844,470)	(415,141)	(1,173,151)	2,510,349	506,546
Fund's covered payroll	\$ 2,513,585	2,896,880	2,845,353	2,833,052	2,800,314	2,935,848	2,756,763	2,981,054	3,063,144
Fund's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	85.41%	33.76%	0.40%	111.47%	30.16%	14.14%	42.56%	84.21%	16.54%

* The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the County will present information for those years for which information is available.

COUNTY OF SARATOGA, NEW YORK
Required Supplementary Information
Schedule of County's Pension Contributions
Year ended December 31, 2023

NYSERS Pension Plan										
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>County-wide</u>										
Contractually required contribution	\$10,969,047	8,344,876	11,169,845	9,401,334	9,078,001	8,806,295	8,834,255	8,903,604	10,728,541	12,160,083
Contributions in relation to the contractually required contribution	<u>10,969,047</u>	<u>8,344,876</u>	<u>11,169,845</u>	<u>9,401,334</u>	<u>9,078,001</u>	<u>8,806,295</u>	<u>8,834,255</u>	<u>8,903,604</u>	<u>10,728,541</u>	<u>12,160,083</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$71,838,468	69,303,346	66,995,765	63,867,567	61,063,602	58,952,768	57,329,348	56,778,955	61,263,111	63,150,465
Contributions as a percentage of covered payroll	15.27%	12.04%	16.67%	14.72%	14.87%	14.94%	15.41%	15.68%	17.51%	19.26%
<u>Governmental Activities</u>										
Contractually required contribution	\$10,585,248	7,996,390	10,695,454	8,984,308	8,661,693	8,367,428	8,409,447	8,439,667	10,138,512	11,534,897
Contributions in relation to the contractually required contribution	<u>10,585,248</u>	<u>7,996,390</u>	<u>10,695,454</u>	<u>8,984,308</u>	<u>8,661,693</u>	<u>8,367,428</u>	<u>8,409,447</u>	<u>8,439,667</u>	<u>10,138,512</u>	<u>11,534,897</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental Activities' covered payroll	\$69,324,883	66,406,466	64,150,412	61,034,515	58,263,288	56,016,920	54,572,585	53,797,901	58,199,967	59,903,710
Contributions as a percentage of covered payroll	15.27%	12.04%	16.67%	14.72%	14.87%	14.94%	15.41%	15.69%	17.42%	19.26%
<u>Sewer District</u>										
Contractually required contribution	\$ 383,800	348,846	474,391	417,026	416,308	438,867	424,808	463,937	590,029	625,186
Contributions in relation to the contractually required contribution	<u>383,800</u>	<u>348,846</u>	<u>474,391</u>	<u>417,026</u>	<u>416,308</u>	<u>438,867</u>	<u>424,808</u>	<u>463,937</u>	<u>590,029</u>	<u>625,186</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund's covered payroll	\$ 2,513,585	2,896,880	2,845,353	2,833,052	2,800,314	2,935,848	2,756,763	2,981,054	3,063,144	3,246,755
Contributions as a percentage of covered payroll	15.27%	12.04%	16.67%	14.72%	14.87%	14.95%	15.41%	15.56%	19.26%	19.26%

COUNTY OF SARATOGA, NEW YORK
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds				Total Nonmajor Governmental Funds
	County Road	Road Machinery	Employment and Training	Federal Forfeitures	
Assets:					
Cash and equivalents	\$ 2,331,354	192,578	150	125,792	2,649,874
Accounts receivable	385,838	-	17,549	-	403,387
State and federal receivables	1,923,694	-	-	-	1,923,694
Total assets	\$ 4,640,886	192,578	17,699	125,792	4,976,955
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	803,515	192,578	9,893	-	1,005,986
Due to other governments	949,853	-	-	-	949,853
Due to other funds	2,346,155	-	7,806	-	2,353,961
Total liabilities	4,099,523	192,578	17,699	-	4,309,800
Deferred inflows of resources	541,363	-	-	-	541,363
Fund balances - restricted	-	-	-	125,792	125,792
Total liabilities, deferred inflows of resources and fund balances	\$ 4,640,886	192,578	17,699	125,792	4,976,955

COUNTY OF SARATOGA, NEW YORK
Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Year ended December 31, 2023

	Special Revenue Funds				Total Nonmajor Governmental Funds
	County Road	Road Machinery	Employment and Training	Federal Forfeitures	
Revenue:					
Departmental income	\$ 1,788,628	-	-	-	1,788,628
Intergovernmental charges	927,896	-	-	-	927,896
Use of money and property	-	2,575,192	-	-	2,575,192
Sale of property and compensation for loss	47,779	35,623	-	765	84,167
Miscellaneous local sources	-	230,119	-	-	230,119
State aid	1,589,909	-	-	-	1,589,909
Federal aid	508,069	-	902,035	-	1,410,104
Total revenue	<u>4,862,281</u>	<u>2,840,934</u>	<u>902,035</u>	<u>765</u>	<u>8,606,015</u>
Expenditures:					
Public safety	1,256,865	-	-	26,062	1,282,927
Transportation	22,841,573	4,000,169	-	-	26,841,742
Economic assistance and opportunity	-	-	890,185	-	890,185
Debt service	12,074	99	11,850	-	24,023
Total expenditures	<u>24,110,512</u>	<u>4,000,268</u>	<u>902,035</u>	<u>26,062</u>	<u>29,038,877</u>
Deficiency of revenue over expenditures	<u>(19,248,231)</u>	<u>(1,159,334)</u>	<u>-</u>	<u>(25,297)</u>	<u>(20,432,862)</u>
Other financing sources:					
Subscription liabilities	4,036	-	-	-	4,036
Lease liabilities	-	1,801	-	-	1,801
Operating transfers in	21,575,299	737,948	-	-	22,313,247
Total other financing sources	<u>21,579,335</u>	<u>739,749</u>	<u>-</u>	<u>-</u>	<u>22,319,084</u>
Net change in fund balances	2,331,104	(419,585)	-	(25,297)	1,886,222
Fund balances (deficit) at beginning of year	<u>(2,331,104)</u>	<u>419,585</u>	<u>-</u>	<u>151,089</u>	<u>(1,760,430)</u>
Fund balances at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>125,792</u>	<u>125,792</u>