

COUNTY OF SARATOGA, NEW YORK
Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report
December 31, 2022

COUNTY OF SARATOGA, NEW YORK

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 11
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	15
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	17
Statement of Net Position - Proprietary Funds	18
Statement of Revenue, Expenses, and Changes in Net Position - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20
Statement of Fiduciary Net Position - Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	22
Statement of Net Position - Component Units	23
Statement of Activities - Component Units	24
Notes to Financial Statements	25 - 66

COUNTY OF SARATOGA, NEW YORK

Table of Contents, Continued

	<u>Page</u>
Required Supplementary Information:	
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	67
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	68 - 69
Schedule of County's Proportionate Share of the Net Pension Asset/Liability	70
Schedule of County's Pension Contributions	71
Other Supplementary Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	72
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	73

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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, 2022, 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, 2022, 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, 2022, 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.

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 September 21, 2023, 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
September 21, 2023

COUNTY OF SARATOGA, NEW YORK
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current:				
Cash and equivalents	\$ 141,811,599	38,478,843	180,290,442	13,952,306
Taxes receivable, net of allowance	16,706,745	-	16,706,745	-
Accounts receivable	1,915,849	764,485	2,680,334	1,384,438
State and federal receivables	42,847,405	-	42,847,405	-
Due from other governments	9,763,937	-	9,763,937	-
Loans receivable	-	-	-	1,000,000
Grants receivable	-	-	-	165,000
Prepaid expenses	1,999,098	106,202	2,105,300	99,472
Internal balances	(24,000,000)	24,000,000	-	-
Inventories	2,576,949	-	2,576,949	-
Other assets	28,209	-	28,209	-
Restricted assets - cash and equivalents	42,602,111	-	42,602,111	4,074,357
Property held for development	-	-	-	168,138
Total current assets	<u>236,251,902</u>	<u>63,349,530</u>	<u>299,601,432</u>	<u>20,843,711</u>
Noncurrent assets:				
Net pension asset	22,420,624	978,065	23,398,689	107,078
Capital assets, net of accumulated depreciation	157,214,648	128,801,144	286,015,792	67,629,273
Total assets	<u>415,887,174</u>	<u>193,128,739</u>	<u>609,015,913</u>	<u>88,580,062</u>
Deferred outflows of resources:				
Loss on refunding	-	1,503,741	1,503,741	-
Pension	46,585,152	2,031,947	48,617,099	228,407
OPEB	42,997,576	2,497,200	45,494,776	60,819
Total deferred outflows of resources	<u>89,582,728</u>	<u>6,032,888</u>	<u>95,615,616</u>	<u>289,226</u>
Liabilities:				
Current:				
Accounts payable	15,161,916	1,718,069	16,879,985	504,226
Accrued liabilities	4,043,056	-	4,043,056	450,235
Due to other governments	27,456,381	-	27,456,381	602,760
Other liabilities	20,135,425	-	20,135,425	-
Bond anticipation notes	6,974,650	24,000,000	30,974,650	-
General obligation bonds and premiums	1,763,503	2,455,465	4,218,968	1,260,000
Total current liabilities	<u>75,534,931</u>	<u>28,173,534</u>	<u>103,708,465</u>	<u>2,817,221</u>
Long-term liabilities:				
General obligation bonds and premiums	19,285,028	40,837,899	60,122,927	49,596,708
Compensated absences	3,402,557	145,827	3,548,384	-
Self insured claims payable	15,671,926	-	15,671,926	-
Total OPEB liability	<u>296,363,882</u>	<u>16,556,825</u>	<u>312,920,707</u>	<u>204,346</u>
Total long-term liabilities	<u>334,723,393</u>	<u>57,540,551</u>	<u>392,263,944</u>	<u>49,801,054</u>
Total liabilities	<u>410,258,324</u>	<u>85,714,085</u>	<u>495,972,409</u>	<u>52,618,275</u>
Deferred inflows of resources:				
Gain on refunding	-	20,909	20,909	-
Pension	79,390,351	3,463,282	82,853,633	377,851
OPEB	14,044,147	803,805	14,847,952	415
Unearned revenue	5,127,175	-	5,127,175	-
Total deferred inflows of resources	<u>98,561,673</u>	<u>4,287,996</u>	<u>102,849,669</u>	<u>378,266</u>
Net position (deficit):				
Net investment in capital assets	136,166,117	86,990,612	223,156,729	16,172,565
Restricted - self-insurance workers' compensation	18,866,275	-	18,866,275	-
Restricted - self-insurance health benefits	13,472,861	-	13,472,861	-
Restricted - other	25,066,329	-	25,066,329	4,074,357
Unrestricted (deficit)	(196,921,677)	22,168,934	(174,752,743)	15,625,825
Total net position (deficit)	<u>\$ (3,350,095)</u>	<u>109,159,546</u>	<u>105,809,451</u>	<u>35,872,747</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Activities
Year ended December 31, 2022

<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	\$ 129,577,521	14,854,997	17,208,174	-	(97,514,350)	-	(97,514,350)	-
Education	25,862,544	-	5,575,503	-	(20,287,041)	-	(20,287,041)	-
Public safety	68,618,511	17,596,211	2,030,286	55,854	(48,936,160)	-	(48,936,160)	-
Health	22,566,790	7,629,489	10,748,316	-	(4,188,985)	-	(4,188,985)	-
Transportation	27,773,341	3,932,323	6,473,793	1,199,975	(16,167,250)	-	(16,167,250)	-
Economic assistance and opportunity	65,022,397	5,948,197	27,600,751	-	(31,473,449)	-	(31,473,449)	-
Culture and recreation	6,337,697	2,034,071	109,133	-	(4,194,493)	-	(4,194,493)	-
Home and community services	5,000,149	577,056	18,006	-	(4,405,087)	-	(4,405,087)	-
Debt service	777,092	-	-	-	(777,092)	-	(777,092)	-
Total governmental activities	<u>351,536,042</u>	<u>52,572,344</u>	<u>69,763,962</u>	<u>1,255,829</u>	<u>(227,943,907)</u>	<u>-</u>	<u>(227,943,907)</u>	<u>-</u>
Business-type activities - Sewer District	<u>22,566,044</u>	<u>26,453,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,887,701</u>	<u>3,887,701</u>	<u>-</u>
Total primary government	<u>\$ 374,102,086</u>	<u>79,026,089</u>	<u>69,763,962</u>	<u>1,255,829</u>	<u>(227,943,907)</u>	<u>3,887,701</u>	<u>(224,056,206)</u>	<u>-</u>
Component units:								
Saratoga County Industrial Development Agency	125,820	642,146	-	-	-	-	-	516,326
Saratoga County Water Authority	7,321,947	7,798,491	1,458,438	-	-	-	-	1,934,982
Saratoga County Prosperity Partnership, Inc.	152,799	-	80,175	-	-	-	-	(72,624)
Total component units	<u>\$ 7,600,566</u>	<u>8,440,637</u>	<u>1,538,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,378,684</u>
General revenue:								
Real property tax and related tax items					70,224,512	-	70,224,512	-
Non-property tax items					164,331,872	-	164,331,872	-
Sales of property and compensation for loss					2,757,322	40,983	2,798,305	-
Use of money and property					3,892,148	457,892	4,350,040	86,856
Miscellaneous local sources					1,161,690	18,878	1,180,568	-
Total general revenue					<u>242,367,544</u>	<u>517,753</u>	<u>242,885,297</u>	<u>86,856</u>
Change in net position					<u>14,423,637</u>	<u>4,405,454</u>	<u>18,829,091</u>	<u>2,465,540</u>
Net position (deficit) at beginning of year, as previously stated					(17,773,732)	104,754,092	86,980,360	33,531,707
Restatement (note 17(c))					-	-	-	(124,500)
Net position (deficit) at beginning of year, as restated					<u>(17,773,732)</u>	<u>104,754,092</u>	<u>86,980,360</u>	<u>33,407,207</u>
Net position (deficit) at end of year					<u>\$ (3,350,095)</u>	<u>109,159,546</u>	<u>105,809,451</u>	<u>35,872,747</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and equivalents	\$ 90,116,884	32,169,589	749,743	123,036,216
Taxes receivable, net of allowance	16,706,745	-	-	16,706,745
Accounts receivable	1,251,999	-	338,707	1,590,706
State and federal receivables	40,681,639	-	2,165,766	42,847,405
Due from other governments	664,048	-	-	664,048
Due from other funds	842,054	-	-	842,054
Other assets	28,209	-	-	28,209
Restricted assets - cash and equivalents	<u>23,735,836</u>	<u>-</u>	<u>-</u>	<u>23,735,836</u>
Total assets	<u>\$174,027,414</u>	<u>32,169,589</u>	<u>3,254,216</u>	<u>209,451,219</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	12,766,880	15,535	1,478,201	14,260,616
Bond anticipation notes	-	6,974,650	-	6,974,650
Due to other governments	26,501,917	-	954,464	27,456,381
Due to other funds	-	24,000,000	842,054	24,842,054
Other liabilities	<u>20,135,425</u>	<u>-</u>	<u>-</u>	<u>20,135,425</u>
Total liabilities	<u>59,404,222</u>	<u>30,990,185</u>	<u>3,274,719</u>	<u>93,669,126</u>
Deferred inflows of resources	<u>15,599,868</u>	<u>-</u>	<u>1,739,927</u>	<u>17,339,795</u>
Fund balances:				
Nonspendable	28,209	-	-	28,209
Restricted	23,735,836	1,179,404	151,089	25,066,329
Assigned - Maplewood Manor retiree health benefits	5,949,033	-	-	5,949,033
Assigned - appropriated	-	-	419,585	419,585
Unassigned (deficit)	<u>69,310,246</u>	<u>-</u>	<u>(2,331,104)</u>	<u>66,979,142</u>
Total fund balances (deficit)	<u>99,023,324</u>	<u>1,179,404</u>	<u>(1,760,430)</u>	<u>98,442,298</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$174,027,414</u>	<u>32,169,589</u>	<u>3,254,216</u>	<u>209,451,219</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, 2022

Total fund balances - governmental funds	\$ 98,442,298
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.	22,420,624
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	157,214,648
Compensated absences are expensed as paid in governmental funds, expensed as incurred, and reflected as liability on the statement of net position.	(3,402,557)
Significant inventories of materials and supplies are included in the statement of net position as current assets.	2,576,949
Internal service funds net position are not reported in the governmental funds, but included in the statement of net position.	26,420,420
Deferred property tax revenue is not available to pay current period expenditures and is therefore deferred in the funds.	7,451,624
Deferred revenue from receivables not available to pay for current period expenditures and is therefore deferred in the funds.	4,864,717
Prepaid expenses are not reported in the governmental funds.	1,999,098
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	46,585,152
Deferred outflows of resources - OPEB, net of \$12,182 reported in workers' compensation fund	42,985,394
Deferred inflows of resources - pension	(79,390,351)
Deferred inflows of resources - OPEB, net of \$3,865 reported in workers' compensation fund	(14,040,282)
Long-term liabilities that are not due and payable in the current period are not reported in the governmental funds:	
General obligation bonds and premiums	(21,048,531)
Accrued interest	(130,349)
Total OPEB liability, net of \$64,933 reported in the workers' compensation fund	<u>(296,298,949)</u>
Total net position (deficit) of the governmental activities	<u>\$ (3,350,095)</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, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue:				
Real property taxes	\$66,536,789	-	-	66,536,789
Real property tax items	3,707,923	-	-	3,707,923
Non-property tax items	164,331,872	-	-	164,331,872
Departmental income	12,018,397	-	1,796,825	13,815,222
Intergovernmental charges	4,716,939	-	119,642	4,836,581
Use of money and property	1,447,542	345,936	1,738,086	3,531,564
Licenses and permits	158,351	-	-	158,351
Fines and forfeitures	214,296	-	-	214,296
Sale of property and compensation for loss	2,726,998	-	38,724	2,765,722
Miscellaneous local sources	753,356	268,865	217,585	1,239,806
State aid	32,561,003	513,964	7,852,719	40,927,686
Federal aid	<u>33,724,440</u>	<u>55,854</u>	<u>2,422,292</u>	<u>36,202,586</u>
Total revenue	<u>322,897,906</u>	<u>1,184,619</u>	<u>14,185,873</u>	<u>338,268,398</u>
Expenditures:				
General government support	118,497,425	68,631	-	118,566,056
Education	25,858,310	-	-	25,858,310
Public safety	50,018,543	-	1,192,448	51,210,991
Health	19,693,236	-	-	19,693,236
Transportation	1,112,145	-	30,025,814	31,137,959
Economic assistance and opportunity	58,109,818	-	834,714	58,944,532
Culture and recreation	6,309,351	-	-	6,309,351
Home and community services	4,052,995	-	-	4,052,995
Debt service	<u>2,495,529</u>	-	-	<u>2,495,529</u>
Total expenditures	<u>286,147,352</u>	<u>68,631</u>	<u>32,052,976</u>	<u>318,268,959</u>
Other sources (uses):				
Operating transfers in	-	-	17,443,505	17,443,505
Operating transfers out	<u>(17,443,505)</u>	-	-	<u>(17,443,505)</u>
Total other sources (uses)	<u>(17,443,505)</u>	-	<u>17,443,505</u>	-
Net change in fund balances	19,307,049	1,115,988	(423,598)	19,999,439
Fund balances (deficit) at beginning of year	<u>79,716,275</u>	<u>63,416</u>	<u>(1,336,832)</u>	<u>78,442,859</u>
Fund balances (deficit) at end of year	<u>\$99,023,324</u>	<u>1,179,404</u>	<u>(1,760,430)</u>	<u>98,442,298</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, 2022

Net change in fund balances - governmental funds		\$19,999,439
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	\$14,899,637	
Depreciation	(15,671,162)	
Loss on disposal	<u>(8,400)</u>	(779,925)
Changes in net position from internal service funds which are not reported in governmental funds but included in the statement of activities.		4,256,962
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.		
Compensated absences		(419,087)
Accrued interest		9,934
Other postemployment benefits:		
Total OPEB liability	(10,440,387)	
Deferred outflows of resources - OPEB	(8,067,289)	
Deferred inflows of resources - OPEB	<u>4,858,392</u>	(13,649,284)
Pension:		
Net pension asset	22,420,624	
Net pension liability	259,707	
Deferred outflows of resources - pension	(13,022,290)	
Deferred inflows of resources - pension	<u>(998,447)</u>	8,659,594
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,700,000
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.		(6,208,797)
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.		(666,263)
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>1,521,064</u>
Change in net position of governmental activities		<u><u>\$14,423,637</u></u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities	Internal Service Funds		
	Enterprise Fund	Workers'	Health	Total
	<u>Sewer District</u>	<u>Compensation</u>	<u>Benefits</u>	
Assets:				
Current:				
Cash and equivalents	\$ 38,478,843	3,590,050	15,185,333	18,775,383
Accounts receivable	764,485	325,000	143	325,143
Due from other governments	-	9,099,889	-	9,099,889
Prepaid expenses	106,202	-	-	-
Due from other funds	24,000,000	-	-	-
Restricted assets - cash and equivalents	-	18,866,275	-	18,866,275
Total current assets	63,349,530	31,881,214	15,185,476	47,066,690
Noncurrent assets:				
Net pension asset	978,065	-	-	-
Capital assets, net of accumulated depreciation	128,801,144	-	-	-
Total assets	193,128,739	31,881,214	15,185,476	47,066,690
Deferred outflows of resources:				
Loss on refunding	1,503,741	-	-	-
Pension	2,031,947	-	-	-
OPEB	2,497,200	12,182	-	12,182
Total deferred outflows of resources	6,032,888	12,182	-	12,182
Liabilities:				
Current:				
Accounts payable	1,718,069	324,205	577,095	901,300
Accrued liabilities	-	3,912,707	-	3,912,707
Bond anticipation notes	24,000,000	-	-	-
General obligation bonds and premiums	2,455,465	-	-	-
Total current liabilities	28,173,534	4,236,912	577,095	4,814,007
Long-term:				
General obligation bonds and premiums	40,837,899	-	-	-
Compensated absences	145,827	-	-	-
Self insured claims payable	-	14,571,926	1,100,000	15,671,926
Net pension liability	-	-	-	-
Total OPEB liability	16,556,825	64,933	-	64,933
Total long-term liabilities	57,540,551	14,636,859	1,100,000	15,736,859
Total liabilities	85,714,085	18,873,771	1,677,095	20,550,866
Deferred inflows of resources:				
Gain on refunding	20,909	-	-	-
Pension	3,463,282	-	-	-
OPEB	803,805	3,865	-	3,865
Unearned revenue	-	68,201	35,520	103,721
Total deferred inflows of resources	4,287,996	72,066	35,520	107,586
Net position:				
Net investment in capital assets	86,990,612	-	-	-
Restricted - self-insurance workers' compensation	-	18,866,275	-	18,866,275
Restricted - self-insurance health benefits	-	-	13,472,861	13,472,861
Unrestricted (deficit)	22,168,934	(5,918,716)	-	(5,918,716)
Total net position	\$ 109,159,546	12,947,559	13,472,861	26,420,420

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, 2022

	Business-type Activities	Internal Service Funds		
	<u>Enterprise Fund</u>			
	Sewer District	Workers' Compensation	Health Benefits	Total
Operating revenue:				
Charges for services	\$ 26,453,745	-	-	-
Participant assessments	-	4,791,827	24,682,298	29,474,125
Use of money and property	457,892	221,207	139,377	360,584
Sale of property and compensation for loss	40,983	-	-	-
Miscellaneous local sources	18,878	69,226	4,004,543	4,073,769
Total operating revenue	<u>26,971,498</u>	<u>5,082,260</u>	<u>28,826,218</u>	<u>33,908,478</u>
Operating expenses:				
Costs of sales and services	12,679,207	-	-	-
Employee benefits	1,545,987	2,887,514	26,764,002	29,651,516
Debt service	1,304,347	-	-	-
Depreciation	7,036,503	-	-	-
Total operating expenses	<u>22,566,044</u>	<u>2,887,514</u>	<u>26,764,002</u>	<u>29,651,516</u>
Gain from operations	4,405,454	2,194,746	2,062,216	4,256,962
Net position at beginning of year	<u>104,754,092</u>	<u>10,752,813</u>	<u>11,410,645</u>	<u>22,163,458</u>
Net position at end of year	<u>\$ 109,159,546</u>	<u>12,947,559</u>	<u>13,472,861</u>	<u>26,420,420</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2022

	Business-type			
	Activities			
	Enterprise			
	Fund	Internal Service Funds		
	Sewer District	Workers' Compensation	Health Benefits	Total
Cash flows from operating activities:				
Cash received from charges to customers and governmental funds	\$26,507,403	4,800,117	28,680,487	33,480,604
Cash paid for interest	(2,941,788)	-	-	-
Cash paid to employees and benefits	(437,947)	(3,257,601)	(26,294,352)	(29,551,953)
Cash paid for services and payables	<u>(13,022,886)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>10,104,782</u>	<u>1,542,516</u>	<u>2,386,135</u>	<u>3,928,651</u>
Cash flows from non-capital financing activities - increase in restricted cash and equivalents				
	<u>-</u>	<u>(2,120,689)</u>	<u>-</u>	<u>(2,120,689)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(3,711,112)	-	-	-
Repayments of long-term debt	<u>(2,155,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(5,866,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash and equivalents	4,238,670	(578,173)	2,386,135	1,807,962
Cash and equivalents at beginning of year	<u>34,240,173</u>	<u>4,168,223</u>	<u>12,799,198</u>	<u>16,967,421</u>
Cash and equivalents at end of year	<u>\$38,478,843</u>	<u>3,590,050</u>	<u>15,185,333</u>	<u>18,775,383</u>
Reconciliation of gain from operations to net cash provided by operating activities:				
Gain from operations	4,405,454	2,194,746	2,062,216	4,256,962
Depreciation expense	7,036,503	-	-	-
Changes in:				
Accounts receivable	(251,595)	-	(143)	(143)
Due from other governments	-	(331,451)	-	(331,451)
Net pension asset	(978,065)	-	-	-
Deferred outflows of resources	1,094,224	2,923	-	2,923
Accounts payable and accrued liabilities	(870,222)	(700,353)	330,273	(370,080)
Bond premium	(195,465)	-	-	-
Compensated absences	25,418	-	-	-
Self insured claims payable	-	331,451	-	331,451
Net pension liability	(11,519)	-	-	-
Total OPEB liability	376,294	(4,108)	-	(4,108)
Deferred inflows of resources	<u>(526,245)</u>	<u>49,308</u>	<u>(6,211)</u>	<u>43,097</u>
Net cash provided by operating activities	<u>\$10,104,782</u>	<u>1,542,516</u>	<u>2,386,135</u>	<u>3,928,651</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
 Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2022

	<u>Custodial Funds</u>	<u>Permanent Fund</u>	<u>Total Fiduciary Funds</u>
Assets - cash and equivalents	<u>\$2,899,334</u>	<u>118,600</u>	<u>3,017,934</u>
Liabilities - due to other governments	<u>1,671,522</u>	<u>-</u>	<u>1,671,522</u>
Fiduciary net position	<u>\$1,227,812</u>	<u>118,600</u>	<u>1,346,412</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, 2022

	<u>Custodial Funds</u>	<u>Permanent Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Total Fiduciary Funds</u>
Additions:				
Bail	\$ 39,595	-	-	39,595
Court & Trust	608,600	-	-	608,600
Mortgage tax	12,261,435	-	-	12,261,435
Aid and Incentives for Municipalities (AIM)	131,251	-	-	131,251
Distressed Provider Assistance Account	190,379	-	-	190,379
Social Services trust	726,297	-	-	726,297
Union dues day dare	4,770	-	-	4,770
Confiscations	561	-	-	561
Interest earnings	<u>5,772</u>	<u>-</u>	<u>-</u>	<u>5,772</u>
Total additions	<u>13,968,660</u>	<u>-</u>	<u>-</u>	<u>13,968,660</u>
Deductions:				
Bail	55,747	-	-	55,747
Court & Trust	239,443	-	-	239,443
Mortgage tax	12,261,435	-	-	12,261,435
Aid and Incentives for Municipalities (AIM)	131,251	-	-	131,251
Distressed Provider Assistance Account	190,379	-	-	190,379
Social Services trust	831,483	-	-	831,483
Union dues day dare	4,830	-	-	4,830
Cemeteries	-	-	220	220
Interest earnings	<u>5,772</u>	<u>-</u>	<u>-</u>	<u>5,772</u>
Total deductions	<u>13,720,340</u>	<u>-</u>	<u>220</u>	<u>13,720,560</u>
Change in fiduciary net position	248,320	-	(220)	248,100
Fiduciary net position at beginning of year	<u>979,492</u>	<u>118,600</u>	<u>220</u>	<u>1,098,312</u>
Fiduciary net position at end of year	<u><u>\$1,227,812</u></u>	<u><u>118,600</u></u>	<u><u>-</u></u>	<u><u>1,346,412</u></u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Net Position - Component Units
December 31, 2022

	Saratoga County Industrial Development <u>Agency</u>	Saratoga County Water <u>Authority</u>	Saratoga County Prosperity <u>Partnership, Inc.</u>	<u>Total</u>
Assets:				
Current:				
Cash and equivalents	\$3,921,631	9,839,660	191,015	13,952,306
Accounts receivable	-	1,384,438	-	1,384,438
Loans receivable	1,000,000	-	-	1,000,000
Grants receivable	-	165,000	-	165,000
Prepaid expenses	-	99,472	-	99,472
Restricted assets - cash and equivalents	-	4,074,357	-	4,074,357
Property held for development	<u>168,138</u>	<u>-</u>	<u>-</u>	<u>168,138</u>
Total current assets	5,089,769	15,562,927	191,015	20,843,711
Noncurrent assets:				
Net pension asset	-	107,078	-	107,078
Capital assets, net of accumulated depreciation	<u>-</u>	<u>67,629,273</u>	<u>-</u>	<u>67,629,273</u>
Total assets	<u>5,089,769</u>	<u>83,299,278</u>	<u>191,015</u>	<u>88,580,062</u>
Deferred outflows of resources:				
Pension	-	228,407	-	228,407
OPEB	<u>-</u>	<u>60,819</u>	<u>-</u>	<u>60,819</u>
Total deferred outflows of resources	<u>-</u>	<u>289,226</u>	<u>-</u>	<u>289,226</u>
Liabilities:				
Current:				
Accounts payable	10,413	493,813	-	504,226
Accrued liabilities	-	450,235	-	450,235
Due to other governments	-	602,760	-	602,760
General obligation bonds	<u>-</u>	<u>1,260,000</u>	<u>-</u>	<u>1,260,000</u>
Total current liabilities	<u>10,413</u>	<u>2,806,808</u>	<u>-</u>	<u>2,817,221</u>
Long-term liabilities:				
General obligation bonds	-	49,596,708	-	49,596,708
Total OPEB liability	<u>-</u>	<u>204,346</u>	<u>-</u>	<u>204,346</u>
Total long-term liabilities	<u>-</u>	<u>49,801,054</u>	<u>-</u>	<u>49,801,054</u>
Total liabilities	<u>10,413</u>	<u>52,607,862</u>	<u>-</u>	<u>52,618,275</u>
Deferred inflows of resources:				
Pension	-	377,851	-	377,851
OPEB	<u>-</u>	<u>415</u>	<u>-</u>	<u>415</u>
Total deferred inflows of resources	<u>-</u>	<u>378,266</u>	<u>-</u>	<u>378,266</u>
Net position:				
Net investment in capital assets	-	16,172,565	-	16,172,565
Restricted	-	4,074,357	-	4,074,357
Unrestricted	<u>5,079,356</u>	<u>10,355,454</u>	<u>191,015</u>	<u>15,625,825</u>
Total net position	<u>\$5,079,356</u>	<u>30,602,376</u>	<u>191,015</u>	<u>35,872,747</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Activities - Component Units
Year ended December 31, 2022

<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	\$ 125,820	642,146	-	516,326	-	-	516,326
Saratoga County Water Authority	7,321,947	7,798,491	1,458,438	-	1,934,982	-	1,934,982
Saratoga County Prosperity Partnership, Inc.	<u>152,799</u>	<u>-</u>	<u>80,175</u>	<u>-</u>	<u>-</u>	<u>(72,624)</u>	<u>(72,624)</u>
Total component units	<u>\$ 7,600,566</u>	<u>8,440,637</u>	<u>1,538,613</u>	516,326	1,934,982	(72,624)	2,378,684
				<u>13,439</u>	<u>73,417</u>	<u>-</u>	<u>86,856</u>
				<u>529,765</u>	<u>2,008,399</u>	<u>(72,624)</u>	<u>2,465,540</u>
				4,549,591	28,593,977	388,139	33,531,707
				<u>-</u>	<u>-</u>	<u>(124,500)</u>	<u>(124,500)</u>
				<u>4,549,591</u>	<u>28,593,977</u>	<u>263,639</u>	<u>33,407,207</u>
				<u>\$ 5,079,356</u>	<u>30,602,376</u>	<u>191,015</u>	<u>35,872,747</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements

December 31, 2022

(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, 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 of Supervisors 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 of Saratoga, (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 County Board of Supervisors. 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 Saratoga County Board of Supervisors.

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 of Supervisors. 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 of Supervisors.

(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 of Supervisors 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 of Supervisors. 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 of Supervisors. 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 67.

(f) Cash and Equivalents

The carrying amount of cash and equivalents at December 31, 2022 totaled \$225,910,487. 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) 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.

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

(1) Summary of Significant Accounting Policies, Continued

(h) 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.

<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

(i) 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 \$3,402,557 and \$145,827 are reported as compensated absences for governmental activities and the business-type activities, respectively, in the government-wide financial statements.

(j) 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.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) 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 5 details the changes in deferred inflows of resources from modified accrual basis to accrual basis.

(k) 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.

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, 2022, the County reported \$23,735,836 in the general fund, \$1,179,404 in the capital projects fund, \$151,089 in the federal forfeitures fund, \$18,866,275 in the workers' compensation fund, and \$13,472,861 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 County Board of Supervisors is the decision-making authority that can, by Board resolution, commit fund balance. There are no committed fund balances at December 31, 2022.

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

(1) Summary of Significant Accounting Policies, Continued

(k) Net Position and Fund Balance Classifications, Continued

- 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 did not assign fund balance for the 2023 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 \$5,949,033 at December 31, 2022.

- 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.

(l) 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.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) 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.

(n) 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.

(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.

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

(2) Cash and Investments, Continued

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, 2022 totaled \$225,910,487. These bank balances were covered by federal depository insurance as follows:

Amount insured by FDIC	\$ 1,500,000
Collateral held by a third party	<u>206,855,330</u>
Total insured and collateral	\$ <u>208,355,330</u>
Bank balance as of December 31, 2022	\$ <u>177,454,550</u>
Percent of coverage	117.4%

(3) Capital Assets

A summary of changes in capital assets follows:

<u>Governmental Activities</u>	Balance December 31, <u>2021</u>	Additions/ <u>transfers</u>	Retirements/ <u>transfers</u>	Balance December 31, <u>2022</u>
Capital assets that are not depreciated:				
Land	\$ 4,785,105	-	-	4,785,105
Construction in progress	<u>27,661,754</u>	-	<u>(27,661,754)</u>	-
Total nondepreciable assets	<u>32,446,859</u>	-	<u>(27,661,754)</u>	<u>4,785,105</u>
Capital assets that are depreciated:				
Buildings and improvements	53,264,053	1,474,909	27,661,754	82,400,716
Vehicles	28,012,129	3,243,906	(465,574)	30,790,461
Machinery and equipment	12,840,802	111,632	(448,966)	12,503,468
Infrastructure	<u>174,974,881</u>	<u>10,069,190</u>	<u>448,966</u>	<u>185,493,037</u>
Total depreciable assets	<u>269,091,865</u>	<u>14,899,637</u>	<u>27,196,180</u>	<u>311,187,682</u>
Total capital assets	<u>301,538,724</u>	<u>14,899,637</u>	<u>(465,574)</u>	<u>315,972,787</u>
Less accumulated depreciation:				
Buildings and improvements	31,815,051	1,509,374	-	33,324,425
Vehicles	19,583,099	2,475,257	(457,174)	21,601,182
Machinery and equipment	10,918,968	770,373	-	11,689,341
Infrastructure	<u>81,227,033</u>	<u>10,916,158</u>	-	<u>92,143,191</u>
Total accumulated depreciation	<u>143,544,151</u>	<u>15,671,162</u>	<u>(457,174)</u>	<u>158,758,139</u>
Net capital assets	\$ <u>157,994,573</u>	<u>(771,525)</u>	<u>(8,400)</u>	<u>157,214,648</u>

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

(3) Capital Assets, Continued

Depreciation expense was charged to the following governmental activities during 2022:

General government support	\$ 3,674,627
Public safety	4,226,644
Health	62,121
Transportation	6,531,566
Economic assistance and opportunity	433,103
Home and community services	<u>743,101</u>
Total governmental activities	<u>\$ 15,671,162</u>

<u>Sewer District</u>	Balance December 31, <u>2021</u>	Additions/ <u>Transfers</u>	Retirements/ <u>Transfers</u>	Balance December 31, <u>2022</u>
Capital assets that are not depreciated - land	\$ <u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Capital assets that are depreciated:				
Buildings and improvements	181,030,890	1,166,832	-	182,197,722
Vehicles	1,493,109	155,983	-	1,649,092
Machinery and equipment	3,825,999	22,470	(79,260)	3,769,209
Infrastructure	<u>101,128,942</u>	<u>2,365,827</u>	<u>-</u>	<u>103,494,769</u>
Total depreciable assets	<u>287,478,940</u>	<u>3,711,112</u>	<u>(79,260)</u>	<u>291,110,792</u>
Total capital assets	<u>287,513,940</u>	<u>3,711,112</u>	<u>(79,260)</u>	<u>291,145,792</u>
Less accumulated depreciation:				
Buildings and improvements	103,104,178	4,253,692	-	107,357,870
Vehicles	38,624	131,926	-	170,550
Machinery and equipment	2,039,498	375,962	(79,260)	2,336,200
Infrastructure	<u>50,205,105</u>	<u>2,274,923</u>	<u>-</u>	<u>52,480,028</u>
Total accumulated depreciation	<u>155,387,405</u>	<u>7,036,503</u>	<u>(79,260)</u>	<u>162,344,648</u>
Net capital assets	\$ <u>132,126,535</u>	<u>(3,325,391)</u>	<u>-</u>	<u>128,801,144</u>

Depreciation expense charged to the Sewer District during 2022 was \$7,036,503.

(4) 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.

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

(4) Interfund Transactions, Continued

Individual interfund receivable and payable balances at December 31, 2022 arising from these transactions were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 842,054	-
Capital Projects	-	24,000,000
County Road	-	840,006
Employment and Training	-	2,048
Sewer District	<u>24,000,000</u>	<u>-</u>
Totals	\$ <u>24,842,054</u>	<u>24,842,054</u>

Interfund transfers during the year ended December 31, 2022 were as follows:

<u>Fund</u>	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General	\$ -	17,443,505
County Road	13,628,822	-
Road Machinery	<u>3,814,683</u>	<u>-</u>
Totals	\$ <u>17,443,505</u>	<u>17,443,505</u>

(5) 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	\$ 4,877,175	4,773,454
Federal and State aid	-	4,864,717
Long-term	250,000	250,000
Tax revenue	-	7,451,624
ERS pension deferred actuarial gain	79,390,351	-
OPEB deferred actuarial gain	<u>14,044,147</u>	<u>-</u>
	\$ <u>98,561,673</u>	<u>17,339,795</u>

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

(6) Due to Other Governments

As indicated in note 1(l), 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, 2022:

Due to villages	\$ 507,011
Due to school districts	11,444,496
Due to other governments and agencies	<u>15,504,874</u>
	<u>\$ 27,456,381</u>

(7) Bond Anticipation Notes

The County issued a \$30,974,650 Bond Anticipation Note (BAN) on September 22, 2022, maturing on September 22, 2023, bearing interest at 4.00% to finance various capital projects and sewer improvements.

(8) Long-term General Obligations

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

Governmental Activities

	Payable at December 31, <u>2021</u>	<u>Additions</u>	Principal <u>Payments</u>	Payable at December 31, <u>2022</u>	Due Within <u>One Year</u>	Due in More Than <u>One Year</u>
Serial bonds	\$ 22,655,000	-	1,700,000	20,955,000	1,755,000	19,200,000
Bond premiums	<u>102,034</u>	-	<u>8,503</u>	<u>93,531</u>	<u>8,503</u>	<u>85,028</u>
	<u>\$ 22,757,034</u>	-	<u>1,708,503</u>	<u>21,048,531</u>	<u>1,763,503</u>	<u>19,285,028</u>

Serial Bonds

\$5,180,000 MBBA Recovery Act bonds, due in annual installments of \$285,000 to \$365,000 through 2029, with interest at 6.564%.	\$ 2,300,000
\$24,105,000 Public Safety Building Serial bonds, due in annual installments of \$1,415,000 to \$1,955,000 through 2033, with interest at 3.0% to 3.5%.	<u>18,655,000</u>
Total serial bonds	<u>\$ 20,955,000</u>

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

(8) Long-term General Obligations, Continued

The annual requirements to amortize outstanding bonds payable as of December 31, 2022 are as follows:

<u>2009 MBBA Recovery Act Bonds</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2023	\$ 295,000	150,972	445,972			
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			
2028-2029	<u>715,000</u>	<u>70,891</u>	<u>785,891</u>			
Total	<u>2,300,000</u>	<u>625,220</u>	<u>2,925,220</u>			
 <u>2018 Public Safety Building</u>						
2023	1,460,000	583,400	2,043,400			
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			
2028-2032	8,965,000	1,125,513	10,090,513			
2033	<u>1,955,000</u>	<u>68,425</u>	<u>2,023,425</u>			
Total	<u>18,655,000</u>	<u>3,660,338</u>	<u>22,315,338</u>			
Total Governmental Funds	\$ <u>20,955,000</u>	<u>4,285,558</u>	<u>25,240,558</u>			
 <u>Enterprise Fund - Sewer District</u>						
<u>Sewer Fund</u>	Payable at December 31, 2021	<u>Additions</u>	<u>Payments</u>	Payable at December 31, 2022	Due Within <u>One Year</u>	Due in More Than <u>One Year</u>
Serial bonds	\$ 41,930,000	-	2,155,000	39,775,000	2,260,000	37,515,000
Bond premiums	<u>3,713,829</u>	-	<u>195,465</u>	<u>3,518,364</u>	<u>195,465</u>	<u>3,322,899</u>
	\$ <u>45,643,829</u>	-	<u>2,350,465</u>	<u>43,293,364</u>	<u>2,455,465</u>	<u>40,837,899</u>

Serial Bonds

<p>\$5,200,000 County Sewer District serial bonds, 2003 series bonds refinanced in 2012, due in an annual installment of \$335,000 in 2023, with interest at 4%.</p>	\$ 335,000
<p>\$18,200,000 County Sewer District serial bonds for 2014 expansion, due in annual installments of \$860,000 to \$1,225,000 through 2034, with interest at 2.5% to 3.25%.</p>	12,390,000

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

(8) Long-term General Obligations, Continued

\$31,135,000 County Sewer District serial bonds for 2016 refinancing of Bonds 2009A and 2010A totaling \$35,465,000, due in installments of \$1,065,000 to \$2,005,000 through 2040, with interest at 2% to 5%.	\$ <u>27,050,000</u>
Total serial bonds	\$ <u>39,775,000</u>

The annual requirements to amortize outstanding bonds payable as of December 31, 2022 are as follows:

<u>Serial Bonds - County</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Sewer District Bonds</u>			
2023	\$ <u>335,000</u>	<u>13,400</u>	<u>348,400</u>
<u>Sewer Expansion 2014</u>			
2023	860,000	364,100	1,224,100
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
2028-2032	5,375,000	810,463	6,185,463
2033-2034	<u>2,410,000</u>	<u>78,975</u>	<u>2,488,975</u>
Total	<u>12,390,000</u>	<u>2,446,813</u>	<u>14,836,813</u>
<u>Sewer Expansion 2016</u>			
<u>(Refinancing of 2009A/2010A)</u>			
2023	1,065,000	1,004,981	2,069,981
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
2028-2032	7,385,000	3,179,056	10,564,056
2033-2037	8,910,000	1,643,400	10,553,400
2038-2040	<u>4,810,000</u>	<u>277,063</u>	<u>5,087,063</u>
Total	<u>27,050,000</u>	<u>9,573,474</u>	<u>36,623,474</u>
Total serial bonds	\$ <u>39,775,000</u>	<u>12,033,687</u>	<u>51,808,687</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.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

(8) Long-term General Obligations, Continued

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.

(9) 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

(9) Retirement System, Continued

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

At December 31, 2022, the County reported the following asset for its proportionate share of the net pension asset for ERS. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation. The County's proportionate share of the net pension asset 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	3/31/2022	3/31/2022	3/31/2022
Net pension asset	\$22,420,624	978,065	23,398,689
County's proportion of the Plan's net pension asset	0.2742723%	0.0119647%	0.2862370%
Change in proportion since the prior measurement date	0.0134543	0.0003963	0.0138506

For the year ended December 31, 2022, the County recognized pension expense of \$105 for ERS in the statement of activities. At December 31, 2022 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	\$ 1,697,945	74,070	1,772,015
Changes of assumptions	37,417,507	1,632,281	39,049,788
Changes in proportion and differences between the County's contributions and proportionate share of contributions	1,472,406	64,231	1,536,637
County's contributions subsequent to the measurement date	<u>5,997,294</u>	<u>261,365</u>	<u>6,258,659</u>
Total	<u>\$ 46,585,152</u>	<u>2,031,947</u>	<u>48,617,099</u>

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

(9) Retirement System, Continued

(b) Pension Assets, 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	\$ 2,202,331	96,073	2,298,404
Changes of assumptions	631,380	27,543	658,923
Net difference between projected and actual investment earnings on pension plan investments	73,418,148	3,202,754	76,620,902
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>3,138,492</u>	<u>136,912</u>	<u>3,275,404</u>
Total	\$ <u>79,390,351</u>	<u>3,463,282</u>	<u>82,853,633</u>

County contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ending December 31, 2023. 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>
2023	\$ (6,438,955)	(280,890)	(6,719,845)
2024	(8,812,236)	(384,420)	(9,196,656)
2025	(19,467,037)	(849,220)	(20,316,257)
2026	<u>(4,084,265)</u>	<u>(178,170)</u>	<u>(4,262,435)</u>
	\$ <u>(38,802,493)</u>	<u>(1,692,700)</u>	<u>(40,495,193)</u>

(c) Actuarial Assumptions

The total pension liability for the March 31, 2022 measurement date was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions:

Inflation	2.7%
Salary increases	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost of living adjustments	1.4%

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

(9) 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-2020. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2021 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%	3.30%
International equity	15.0%	5.85%
Private equity	10.0%	6.50%
Real estate	9.0%	5.00%
Opportunistic/ARS portfolio	3.0%	4.10%
Credit	4.0%	3.78%
Real assets	3.0%	5.80%
Fixed income	23.0%	0.00%
Cash	<u>1.0%</u>	(1.00%)
	<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

(8) Retirement System, Continued

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

The following presents the County's the net pension asset calculated using the discount rate of 5.9%, as well as what the County's net pension asset 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	\$ (2,517,529)	978,065	3,901,961
Governmental Activities	<u>(57,710,441)</u>	<u>22,420,624</u>	<u>89,446,393</u>
Total	\$ <u>(60,227,970)</u>	<u>23,398,689</u>	<u>93,348,354</u>

(f) Pension Plan Fiduciary Net Position

The components of the collective net pension asset of participating employers as of March 31, 2022, were as follows:

	(Dollars in Millions)
Measurement date	3/31/2022
Employers' total pension liability	\$(223,875)
Plan fiduciary net position	<u>232,049</u>
Employers' net pension asset	\$ <u>8,174</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	103.7%

(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, 2022 represent the projected employer contribution for the period of April 1, 2022 through March 31, 2023 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.

(10) 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

(10) Total Other Postemployment Liability, Continued

(a) Plan Description, Continued

Employees Covered by Benefit Terms - As of the measurement date of January 1, 2022, the following employees were covered by the benefit terms:

Retirees and survivors	790
Active employees	<u>964</u>
Total	<u>1,754</u>

(b) Actuarial Assumptions and Methods

The County's total OPEB liability of \$312,920,707 was determined by an actuarial valuation January 1, 2021 with update procedures used to roll forward the total OPEB liability to the measurement date.

Valuation Date	January 1, 2021
Measurement Date	January 1, 2022
Reporting Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Municipal Bond Index Rate	2.06%, as of the measurement date. Source: Bond Buyer Weekly 20-Bond GO Index
Salary Scale	3.0%
Rate of Inflation	2.5%
Mortality - Actives	The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2021.
Mortality - Retirees	The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2021.
Turnover	Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, <u>Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (August 2020)</u> .

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

(10) Total Other Postemployment Liability, Continued

(b) Actuarial Assumptions and Methods, Continued

Medical Trend Rates Pre-65/Post 65	7.00%/8.00%
Ultimate Medical Trend Rate	3.94%
Year Ultimate Trend Rates Reached Pre-65/Post 65	2081/2081

(c) Changes in Total OPEB Liability

	<u>Governmental Activities</u>	<u>Sewer District</u>	<u>Total</u>
Balance at December 31, 2021	\$ 285,927,603	16,180,531	302,108,134
Changes for the year:			
Service cost	10,894,584	456,036	11,350,620
Interest on total OPEB liability	6,195,323	346,750	6,542,073
Changes in assumptions and other inputs	2,526,266	134,335	2,660,601
Benefit payments	<u>(9,179,894)</u>	<u>(560,827)</u>	<u>(9,740,721)</u>
Net changes	<u>10,436,279</u>	<u>376,294</u>	<u>10,812,573</u>
Balance at December 31, 2022	\$ <u>296,363,882</u>	<u>16,556,825</u>	<u>312,920,707</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 (1.06%) or 1-percentage point higher (3.06%) than the current discount rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Governmental Activities	\$ 343,522,521	296,363,882	258,214,787
Sewer District	<u>19,191,415</u>	<u>16,556,825</u>	<u>14,425,567</u>
Total OPEB liability	\$ <u>362,713,936</u>	<u>312,920,707</u>	<u>272,640,354</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	\$ 244,308,357	296,363,882	363,948,696
Sewer District	<u>13,648,663</u>	<u>16,556,825</u>	<u>20,332,555</u>
Total OPEB liability	\$ <u>257,957,020</u>	<u>312,920,707</u>	<u>384,281,251</u>

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

(10) Total Other Postemployment Liability, Continued

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

For the year December 31, 2022, the County recognized OPEB expense of \$23,003,733 for governmental activities and \$1,122,502 for the Sewer District. At December 31, 2022, 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	\$ -	8,367,121	-	474,741	-	8,841,862
Changes in assumptions or other inputs	33,640,553	5,677,026	1,870,677	329,064	35,511,230	6,006,090
County payments subsequent to the measurement date	<u>9,357,023</u>	<u>-</u>	<u>626,523</u>	<u>-</u>	<u>9,983,546</u>	<u>-</u>
Total	<u>\$42,997,576</u>	<u>14,044,147</u>	<u>2,497,200</u>	<u>803,805</u>	<u>45,494,776</u>	<u>14,847,952</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>
2023	\$ 5,912,658	320,884	6,233,542
2024	5,068,900	273,965	5,342,865
2025	6,574,155	361,436	6,935,591
2026	1,641,837	88,407	1,730,244
2027	<u>398,856</u>	<u>22,180</u>	<u>421,036</u>
	<u>\$19,596,406</u>	<u>1,066,872</u>	<u>20,663,278</u>

(11) 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

(11) 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.

(12) 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, 2022. 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 \$18,866,275 was reserved at December 31, 2022 in the workers' compensation fund. A balance in the amount of \$13,472,861 was reserved at December 31, 2022 in the health benefits fund.

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

(12) 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 \$14,571,926 and \$1,100,000 at December 31, 2022 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 2022 were:

	Balance December 31, <u>2021</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance December 31, <u>2022</u>
Workers' compensation	\$ <u>14,240,475</u>	<u>3,589,052</u>	<u>3,257,601</u>	<u>14,571,926</u>
Health benefits	\$ <u>1,100,000</u>	<u>26,294,352</u>	<u>26,294,352</u>	<u>1,100,000</u>

(13) 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.

(14) Tax Abatements

As of December 31, 2022 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, 2022 is as follows:

Manufacturing	\$ 2,236,512
Other	<u>41,110</u>
	\$ <u>2,277,622</u>

PILOT agreements entered into by cities, townships and various area industrial development agencies other than Saratoga County IDA abated \$46,338 of County property taxes in 2022.

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

(15) Fund Deficits

The County Road fund had a deficit of \$2,331,104 at December 31, 2022. The County intends to remedy this deficit in the subsequent fiscal year.

(16) 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 21, 2023, the County issued a BAN in the amount of \$51,974,650 which carries an interest rate of 5.00% and mature on September 20, 2024. The proceeds will fully redeem and renew \$30,974,650 BANs maturing September 22, 2023 and provide \$21,000,000 of new money for sewer projects.

(17) 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.

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, 2022 were \$4,573,489.

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

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

(a) Saratoga County Industrial Development Agency, Continued

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, 2022 were entirely covered by FDIC insurance or collateral investments, as required.

<u>Property Held for Development</u> -	Balance December 31, <u>2021</u>	Net <u>Increases</u>	Balance December 31, <u>2022</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 Saratoga 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.

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.

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

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

(b) Saratoga County Water Authority, Continued

Revenue is recognized when earned and expenses are recognized when incurred. The Authority distinguishes operating revenue and expenses from non-operating 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 non-operating 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.

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 2022.

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

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

(b) Saratoga County Water Authority, Continued

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, 2022.

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

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>2022</u>
Construction fund	\$ 1,492
Debt service reserve fund	3,774,696
Debt service	<u>298,169</u>
Total assets held with fiscal agent	\$ <u>4,074,357</u>

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

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

(b) Saratoga County Water Authority, Continued

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

	December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	December 31, <u>2022</u>
Capital assets that are not depreciated:				
Land and easement	\$ 1,287,799	2,189	-	1,289,988
Construction in progress	<u>2,037,085</u>	<u>-</u>	<u>(1,996,329)</u>	<u>40,756</u>
Total nondepreciable assets	<u>3,324,884</u>	<u>2,189</u>	<u>(1,996,329)</u>	<u>1,330,744</u>
Capital assets that are depreciated:				
Land improvements	1,961,969	-	-	1,961,969
Buildings and improvements	14,767,987	-	-	14,767,987
Infrastructure	70,142,104	2,502,149	-	72,644,253
Machinery and equipment	9,156,962	11,051	-	9,168,013
Vehicles	200,970	-	-	200,970
Office equipment and furniture	<u>85,558</u>	<u>-</u>	<u>-</u>	<u>85,558</u>
Total depreciable assets	96,315,550	2,513,200	-	98,828,750
Less accumulated depreciation	<u>(29,737,169)</u>	<u>(2,793,052)</u>	<u>-</u>	<u>(32,530,221)</u>
Capital assets, net	<u>\$ 69,903,265</u>	<u>(277,663)</u>	<u>(1,996,329)</u>	<u>67,629,273</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, 2022.

Notes Payable Environmental Facilities Corporation (EFC) - During 2020, the capital project to expand the water system was started and substantially completed in 2021. The project was funded by EFC grants and loans and is summarized as follows:

	Estimated Total <u>Project</u>	Incurred Through <u>December 31, 2021</u>
EFC Grant	\$ 1,588,668	1,588,668
EFC Loan	<u>8,012,707</u>	<u>5,237,794</u>
	<u>\$ 9,601,375</u>	<u>6,826,462</u>

During 2022, the short-term EFC loan of \$5,237,794 was converted to long-term.

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

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

(b) Saratoga County Water Authority, Continued

Bonds Payable - At December 31, 2022, 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.	\$ 410,000
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.	30,585,000
2020 Environmental Facilities Corporation Drinking Water Statutory Installment Bond. Interest at rates ranging from .26% to 2.69%, maturing in December 2048.	1,105,000
2021 Water System Revenue Refunding Bonds. Interest at rates ranging from .68% to 3.02%, maturing in June 2044.	11,215,000
2022 Environmental Facilities Corporation Drinking Water Statutory Installment Bond. Interest at rates ranging from 3.07% to 4.91% maturing in 2052.	<u>7,826,573</u>
	51,141,573
Unamortized bond premium	2,782,092
Bond refunding price in excess of carrying amount	(3,066,957)
Current portion of bonds payable	<u>(1,260,000)</u>
Bonds payable, net of current portion	\$ <u>49,596,708</u>

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,	2023	\$ 1,260,000	1,945,750	3,205,750
	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
	2028-2032	7,910,000	7,992,285	15,902,285
	2033-2037	9,740,000	6,976,071	16,716,071
	2038-2042	10,695,000	5,680,990	16,375,990
	2043-2047	12,290,000	3,956,596	16,246,596
	2048-2052	<u>3,945,000</u>	<u>2,391,069</u>	<u>6,336,069</u>
		<u>\$ 51,141,573</u>	<u>36,288,047</u>	<u>87,429,620</u>

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

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

(b) Saratoga County Water Authority, Continued

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, 2022, 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>7</u>
Total participants covered by OPEB Plan	<u><u>7</u></u>

Total OPEB Liability

The Authority's total OPEB liability of \$204,346 was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2022 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	2.06%
Healthcare cost trend rates:	
2022 trend (Pre 65/Post 65)	4.10%/4.24%
Ultimate trend (Pre 65/Post 65)	4.24%/4.24%
Year ultimate trend is reached	2089
Salary increases	8.00%

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).

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

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

(b) Saratoga County Water Authority, Continued

Changes in the Total OPEB Liability

OPEB liability, beginning of year	\$ 174,534
Changes for the year:	
Service cost	26,217
Interest on total OPEB liability	<u>3,595</u>
OPEB liability, end of year	\$ <u>204,346</u>

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

The January 1, 2022 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>		
	<u>1%</u>	<u>2.06%</u>	<u>1%</u>
	<u>Decrease</u>	<u>Baseline</u>	<u>Increase</u>
Total OPEB liability	\$ <u>261,254</u>	<u>204,346</u>	<u>159,975</u>

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

The January 1, 2022 valuation was prepared using an initial trend rate of 4.10%/4.24%. 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>		
	<u>1%</u>	<u>4.10%/4.24%</u>	<u>1%</u>
	<u>Decrease</u>	<u>Baseline</u>	<u>Increase</u>
Total OPEB liability	\$ <u>144,775</u>	<u>204,346</u>	<u>289,837</u>

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. 84% of operating revenue in 2022 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.

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

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

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

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.

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.

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

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

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

(1) General Information, Continued

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.

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

At December 31, 2022, the Authority reported an asset of \$107,078 for its proportionate share of the net pension asset. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation. The Authority's proportion of the net pension asset 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, 2022, the Authority's proportion was 0.0013099%, an increase of 0.0000059 from December 31, 2021.

At December 31, 2022, 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	\$ 8,109	10,518
Changes of assumptions	178,702	3,015
Net difference between projected and actual investment earnings on pension plan investments	-	350,637
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,810	13,681
Employer contribution subsequent to the measurement date	<u>34,786</u>	<u>-</u>
	<u>\$ 228,407</u>	<u>377,851</u>

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

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

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

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

Contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ending December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ (31,419)
2024	(41,444)
2025	(93,538)
2026	<u>(17,829)</u>
	\$ <u>(184,230)</u>

ERS Actuarial Assumptions - The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2021 valuation were as follows:

Interest rate	5.9%
Salary increase	4.4%
Inflation rate	2.7%
Cost of living adjustments	1.4%

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, 2020 used the used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2021 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:

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

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

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

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

	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Asset type:		
Domestic equity	32.0%	3.30%
International equity	15.0%	5.85%
Private equity	10.0%	6.50%
Real estate	9.0%	5.00%
Opportunistic/ARS portfolio	3.0%	4.10%
Credit	4.0%	3.78%
Real assets	3.0%	5.80%
Fixed income	23.0%	0.00%
Cash	<u>1.0%</u>	(1.00%)
	<u>100.0%</u>	

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

(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 Asset to the Discount Rate Assumption

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

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

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

(b) Saratoga County Water Authority, Continued

Pension Plan, Continued

(4) Sensitivity of the Proportionate Share of the Net Pension Asset to the Discount Rate Assumption, Continued

ERS

	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>(275,619)</u>	(107,078)	<u>427,186</u>

(5) Pension Plan Fiduciary Net Position

The components of the collective net pension asset of participating employers as of March 31, 2022 was as follows (in millions):

Employers' total pension liability	\$ (223,875)
Plan fiduciary net position	<u>232,049</u>
Employers' net pension asset	\$ <u>8,174</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	<u>103.7%</u>

(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 2022, there was no County appropriation to the Partnership. The Partnership does not owe any amount to the County at December 31, 2022.

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

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

(c) Saratoga County Prosperity Partnership, Inc., Continued

Restatement - The Partnership restated net position to correct the balance as of December 31, 2021. The effect of this restatement is as follows:

Net position at beginning of year, as previously stated	\$ 388,139
Restatement	<u>124,500</u>
Net position at beginning of year, as restated	\$ <u>263,639</u>

(18) 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. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

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

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, 2022

	<u>Budgeted Amounts</u>		Actual	<u>Variance</u>
	<u>Adopted</u>	<u>Modified</u>	<u>Amounts</u>	
Revenue:				
Real property taxes	\$67,087,564	67,087,564	66,536,789	(550,775)
Real property tax items	4,005,000	4,005,000	3,707,923	(297,077)
Non-property tax items	143,411,096	154,411,096	164,331,872	9,920,776
Departmental income	11,308,569	11,310,064	12,018,397	708,333
Intergovernmental charges	4,822,414	5,019,802	4,716,939	(302,863)
Use of money and property	670,465	670,465	1,447,542	777,077
Licenses and permits	100,000	100,000	158,351	58,351
Fines and forfeitures	230,000	230,000	214,296	(15,704)
Sale of property and compensation for loss	2,390,000	2,469,923	2,726,998	257,075
Miscellaneous local sources	25,305,760	11,400,200	753,356	(10,646,844)
State aid	30,745,900	37,046,067	32,561,003	(4,485,064)
Federal aid	<u>20,625,660</u>	<u>43,184,584</u>	<u>33,724,440</u>	<u>(9,460,144)</u>
Total revenue	<u>310,702,428</u>	<u>336,934,765</u>	<u>322,897,906</u>	<u>(14,036,859)</u>
Expenditures:				
General government support	115,293,500	122,886,854	118,497,425	4,389,429
Education	26,228,429	27,260,220	25,858,310	1,401,910
Public safety	55,357,712	59,760,554	50,018,543	9,742,011
Health	22,388,214	21,890,051	19,693,236	2,196,815
Transportation	3,495,900	8,623,204	1,112,145	7,511,059
Economic assistance and opportunity	65,748,343	65,561,286	58,109,818	7,451,468
Culture and recreation	529,937	581,248	6,309,351	(5,728,103)
Home and community services	7,950,759	15,311,660	4,052,995	11,258,665
Debt service	<u>2,492,686</u>	<u>2,495,529</u>	<u>2,495,529</u>	<u>-</u>
Total expenditures	<u>299,485,480</u>	<u>324,370,606</u>	<u>286,147,352</u>	<u>38,223,254</u>
Excess of revenue over expenditures	11,216,948	12,564,159	36,750,554	24,186,395
Other financing uses - operating transfers out	<u>(20,686,894)</u>	<u>(28,829,807)</u>	<u>(17,443,505)</u>	<u>11,386,302</u>
Net change in fund balance	<u>\$ (9,469,946)</u>	<u>(16,265,648)</u>	19,307,049	<u>35,572,697</u>
Fund balance at beginning of year			<u>79,716,275</u>	
Fund balance at end of year			<u>\$99,023,324</u>	

COUNTY OF SARATOGA, NEW YORK
Required Supplementary Information
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
December 31, 2022

<u>County-wide</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 11,350,620	10,544,394	7,692,238	8,155,233	7,586,537
Interest	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	-	(11,878,812)	-	(2,697,158)	-
Changes in assumptions or other inputs	2,660,601	9,429,488	47,213,631	(16,827,874)	11,334,333
Benefit payments	<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	10,812,573	7,184,905	56,285,743	(11,628,189)	18,875,462
Total OPEB liability, beginning	<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>\$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	\$ 69,526,591	62,659,161	60,402,915	60,402,915	58,384,878
Total OPEB liability as a percentage of covered payroll	450%	482%	488%	395%	429%
 <u>Governmental Activities:</u>					
Total OPEB liability					
Service cost	\$ 10,849,584	10,110,080	7,380,590	7,708,421	7,191,227
Interest	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	-	(11,242,598)	-	(2,549,385)	-
Changes in assumptions or other inputs	2,526,266	8,925,852	44,723,111	(16,577,024)	10,719,045
Benefit payments	<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	10,391,279	6,958,565	53,406,107	(11,662,221)	17,867,230
Total OPEB liability, beginning	<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>\$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	\$ 65,847,897	59,303,215	57,135,354	57,093,539	55,342,634
Total OPEB liability as a percentage of covered payroll	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 456,036	434,314	311,648	446,812	395,310
Interest	346,750	442,307	539,366	478,576	461,922
Change in benefit terms	-	(25,844)	-	-	-
Differences between expected and actual experience	-	(636,214)	-	(147,773)	-
Changes in assumptions or other inputs	134,335	503,636	2,490,520	(250,850)	615,288
Benefit payments	<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	376,294	226,340	2,879,636	34,032	1,008,232
Total OPEB liability, beginning	<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>\$ 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	\$ 3,678,694	3,355,946	3,267,561	3,309,376	3,042,244
Total OPEB liability as a percentage of covered payroll	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
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, 2022

	NYSERS Pension Plan							
	<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)	0.2862370%	0.2723864%	0.2688397%	0.2598972%	0.2581054%	0.2596440%	0.2978990%	0.2998883%
County's proportionate share of the net pension asset (liability)	\$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	\$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	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	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)	0.2742723%	0.2608180%	0.2569144%	0.2479786%	0.2452426%	0.2471586%	0.2828585%	0.2833960%
Governmental activities proportionate share of the net pension asset (liability)	\$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	\$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	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 liability	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)	\$ 978,065	(11,519)	(3,157,875)	(844,470)	(415,141)	(1,173,151)	2,510,349	506,546
Fund's covered payroll	\$ 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	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, 2022

NYSERS Pension Plan										
	<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>2013</u>
<u>County-wide</u>										
Contractually required contribution	\$ 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	12,336,753
Contributions in relation to the contractually required contribution	<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>	<u>12,336,753</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	\$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	62,407,807
Contributions as a percentage of covered payroll	12.04%	16.67%	14.72%	14.87%	14.94%	15.41%	15.68%	17.51%	19.26%	19.77%
<u>Governmental Activities</u>										
Contractually required contribution	\$ 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	11,694,724
Contributions in relation to the contractually required contribution	<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>	<u>11,694,724</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	\$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	59,159,980
Contributions as a percentage of covered payroll	12.04%	16.67%	14.72%	14.87%	14.94%	15.41%	15.69%	17.42%	19.26%	19.77%
<u>Sewer District</u>										
Contractually required contribution	\$ 348,846	474,391	417,026	416,308	438,867	424,808	463,937	590,029	625,186	642,029
Contributions in relation to the contractually required contribution	<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>	<u>642,029</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	\$ 2,896,880	2,845,353	2,833,052	2,800,314	2,935,848	2,756,763	2,981,054	3,063,144	3,246,755	3,247,827
Contributions as a percentage of covered payroll	12.04%	16.67%	14.72%	14.87%	14.95%	15.41%	15.56%	19.26%	19.26%	19.77%

COUNTY OF SARATOGA, NEW YORK
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2022

	Special Revenue Funds				Total
	County Road	Road Machinery	Employment and Training	Federal Forfeitures	Nonmajor Governmental Funds
Assets:					
Cash and equivalents	\$ 250	598,254	150	151,089	749,743
Accounts receivable	325,474	-	13,233	-	338,707
State and federal receivables	<u>2,165,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,165,766</u>
Total assets	<u>\$ 2,491,490</u>	<u>598,254</u>	<u>13,383</u>	<u>151,089</u>	<u>3,254,216</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	1,288,197	178,669	11,335	-	1,478,201
Due to other governments	954,464	-	-	-	954,464
Due to other funds	<u>840,006</u>	<u>-</u>	<u>2,048</u>	<u>-</u>	<u>842,054</u>
Total liabilities	<u>3,082,667</u>	<u>178,669</u>	<u>13,383</u>	<u>-</u>	<u>3,274,719</u>
Deferred inflows of resources	<u>1,739,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,739,927</u>
Fund balances:					
Restricted	-	-	-	151,089	151,089
Assigned - appropriated	-	419,585	-	-	419,585
Unassigned (deficit)	<u>(2,331,104)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,331,104)</u>
Total fund balances (deficit)	<u>(2,331,104)</u>	<u>419,585</u>	<u>-</u>	<u>151,089</u>	<u>(1,760,430)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,491,490</u>	<u>598,254</u>	<u>13,383</u>	<u>151,089</u>	<u>3,254,216</u>

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, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	County Road	Road Machinery	Employment and Training	Federal Forfeitures	
Revenue:					
Departmental income	\$ 1,796,825	-	-	-	1,796,825
Intergovernmental charges	119,642	-	-	-	119,642
Use of money and property	-	1,737,986	-	100	1,738,086
Sale of property and compensation for loss	34,979	2,940	-	805	38,724
Miscellaneous local sources	872	216,713	-	-	217,585
State aid	7,852,719	-	-	-	7,852,719
Federal aid	1,587,578	-	834,714	-	2,422,292
Total revenue	<u>11,392,615</u>	<u>1,957,639</u>	<u>834,714</u>	<u>905</u>	<u>14,185,873</u>
Expenditures:					
Public safety	1,189,452	-	-	2,996	1,192,448
Transportation	24,253,492	5,772,322	-	-	30,025,814
Economic assistance and opportunity	-	-	834,714	-	834,714
Total expenditures	<u>25,442,944</u>	<u>5,772,322</u>	<u>834,714</u>	<u>2,996</u>	<u>32,052,976</u>
Deficiency of revenue over expenditures	(14,050,329)	(3,814,683)	-	(2,091)	(17,867,103)
Other financing sources - operating transfers in	13,628,822	3,814,683	-	-	17,443,505
Net change in fund balances	(421,507)	-	-	(2,091)	(423,598)
Fund balances (deficit) at beginning of year	<u>(1,909,597)</u>	<u>419,585</u>	<u>-</u>	<u>153,180</u>	<u>(1,336,832)</u>
Fund balances (deficit) at end of year	<u>\$ (2,331,104)</u>	<u>419,585</u>	<u>-</u>	<u>151,089</u>	<u>(1,760,430)</u>