City of Saratoga Springs, New York

Financial Report

December 31, 2023

City of Saratoga Springs, New York

Financial Report

December 31, 2023

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Independent Auditor's Report

Mayor and Members of the City Council
City of Saratoga Springs, New York
Saratoga Springs, New York

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Saratoga Springs, New York (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Adverse Opinion on Governmental Activities and Discretely Presented Component Unit

In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the governmental activities and discretely presented component unit of the City as of December 31, 2023, or 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.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities and Discretely Presented Component Unit

As discussed in Note 1c to the financial statements, the City has not maintained accounting records to support the completeness and accuracy of capital asset balances. Accounting principles generally accepted in the United States of America require the capitalization and depreciation of capital assets. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities and discretely presented component units has not been determined.

Emphasis of Matter

As discussed in Note 1o to the financial statements, in 2023, the City adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 City'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.

Auditor's 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 auditor's 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 City'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 City's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompanying table of contents on pages 4 through 15 and 63 through 68 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 City's basic financial statements. The combining and individual non-major governmental fund financial statements on pages 69 through 71 are 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 combining and individual non-major governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

BST + Co. CPAs, LLP

Latham, New York
October 30, 2024

City of Saratoga Springs, New York

Management's Discussion and Analysis
December 31, 2023

As management of the City of Saratoga Springs, New York (City), we offer the readers of the City's financial statements this narrative overview and analysis as of December 31, 2023. We encourage readers to consider the information presented here in conjunction with our financial statements, which can be found on pages 16 through 62 of this report, and our required and other supplementary information, which can be found on pages 63 through 71.

Financial Highlights

Governmental Activities

- The assets and deferred outflows of resources of the City were exceeded by its liabilities and deferred inflows of resources on December 31, 2023, by $61,952,568, representing deficit net position. Of this amount, $57,649,413 represents the City's investment in capital assets, net of related debt, and $29,474,468 is restricted for future capital improvements, debt service, and other purposes. The remaining amount, which represents negative unrestricted net position, is ($149,106,449). The primary driver of the City's negative unrestricted net position is other postemployment benefits, compensated absences, and bonds payable of $114,730,516, $4,726,809, and $94,111,664, respectively.

- At December 31, 2023, the City's governmental funds reported a combined ending fund balance of $47,564,308. Of this amount, $42,461,721 of the fund balance was nonspendable, restricted, or assigned for specific purposes.

- At the end of the current year, the unassigned fund balance of the General Fund was $12,295,125.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private sector businesses.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Overview of the Financial Statements - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (the discretely presented component unit). The governmental activities of the City include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community service, and interest on long-term debt. The City's City Center Authority is presented as a discretely presented component unit.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Water Fund, the Sewer Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the other four governmental funds, the Downtown Special Assessment District (SAD), the West Avenue Special Assessment District (WASAD), Debt Service and Community Development, are combined into a single, aggregated presentation.

The governmental fund financial statements and the reconciliations to the government-wide financial statements can be found on pages 18 through 21 of this report.

Overview of the Financial Statements - Continued

Fund Financial Statements - Continued

Discretely Presented Component Unit

The City maintains the City Center Authority as a discretely presented component unit.

The City Center Authority financial statements can be found on pages 24 through 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties other than the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City-owned programs. The accounting used for fiduciary funds is much like that used for the governmental activities.

The fiduciary fund financial statements can be found on pages 22 and 23 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 62 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources are exceeded by liabilities and deferred inflows of resources by $61,952,568 at December 31, 2023.

The largest positive portion of the City's net position reflects its investment in capital assets (i.e., land; buildings; improvements; infrastructure; work in progress; and machinery, equipment and vehicles) less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Beginning in 2022, the City has not maintained accounting records to support the completeness and accuracy of capital asset balances and has not calculated depreciation on capital asset balances. Accounting principles generally accepted in the United States of America requires the capitalization and depreciation of capital assets. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities and discretely presented component unit has not been determined.

Government-Wide Financial Analysis - Continued

Condensed Statements of Net Position

	December 31,					
	Governmental Activities		Component Unit		Total	
	2023	2022	2023	2022	2023	2022
Current assets	$ 61,787,631	$ 65,191,976	$ 1,866,837	$ 1,979,523	$ 63,654,468	$ 67,171,499
Noncurrent assets and deferred outflows of resources	231,603,622	171,040,686	27,377,006	26,276,404	258,980,628	197,317,090
Total	293,391,253	236,232,662	29,243,843	28,255,927	322,635,096	264,488,589
Current liabilities	10,411,591	11,942,002	779,211	882,959	11,190,802	12,824,961
Noncurrent liabilities and deferred inflows of resources	298,880,669	292,348,311	10,861,725	11,221,656	309,742,394	303,569,967
Total	309,292,260	304,290,313	11,640,936	12,104,615	320,933,196	316,394,928
Net position (deficit)						
Net investment in capital assets	42,994,143	41,835,140	14,685,270	14,975,335	57,679,413	56,810,475
Restricted	28,248,231	28,920,808	1,226,237	1,238,664	29,474,468	30,159,472
Unrestricted (deficit)	(148,931,012)	(138,813,599)	(175,437)	(62,687)	(149,106,449)	(138,876,286)
Total net position (deficit)	**$ (77,688,638)**	**$ (68,057,651)**	**$ 15,736,070**	**$ 16,151,312**	**$ (61,952,568)**	**$ (51,906,339)**

Condensed Statements of Activities

The City experienced a decrease in net position during 2023 totaling $10,046,229, as shown in the following table:

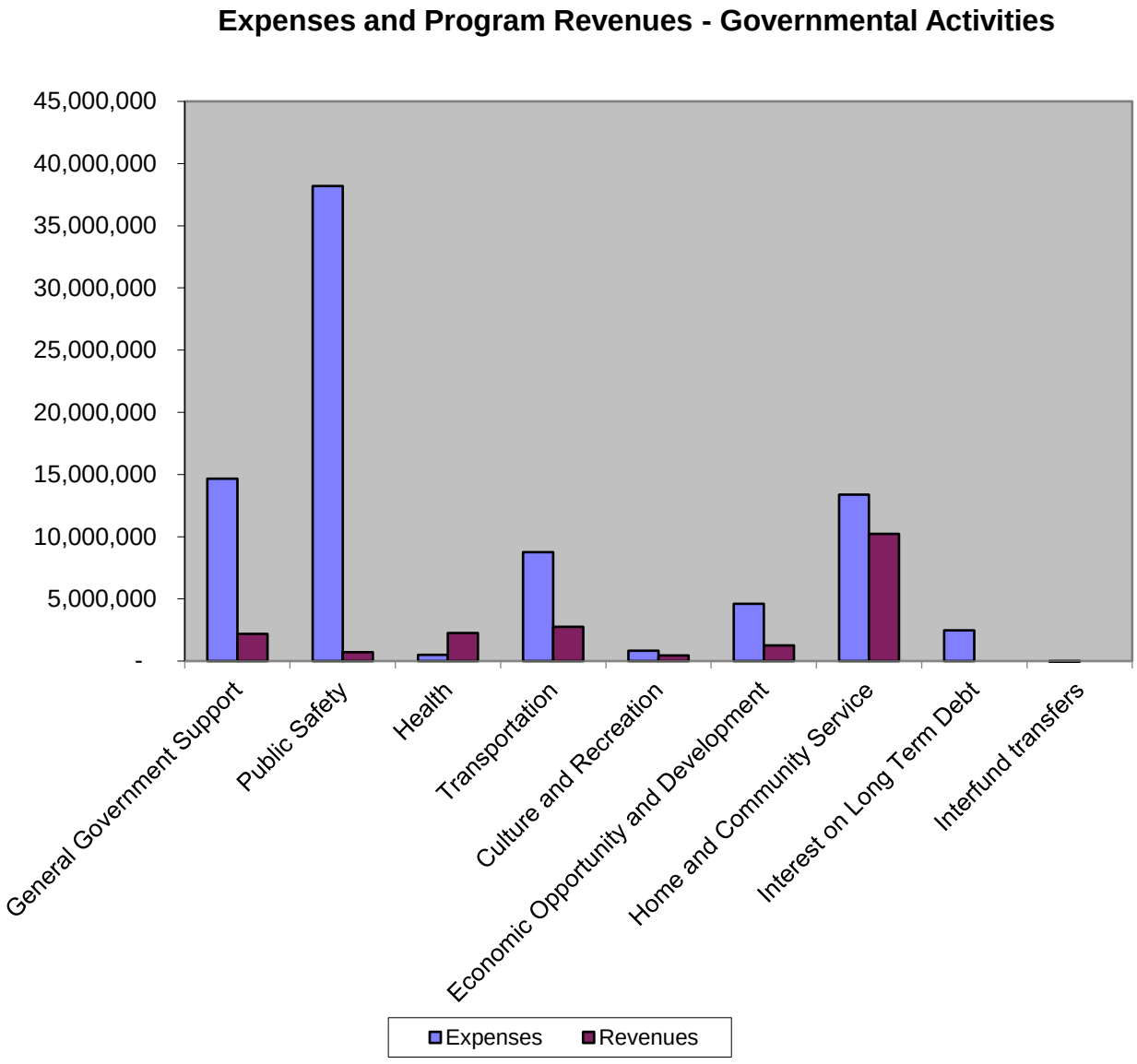
	Years Ended December 31,					
	Governmental Activities		Component Unit		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues						
Charges for services	$ 15,846,852	$ 15,282,654	$ 1,424,580	$ 1,158,242	$ 17,271,432	$ 16,440,896
Operating grants and contributions	975,041	600,070	-	-	975,041	600,070
Capital grants and contributions	3,035,922	1,086,830	-	-	3,035,922	1,086,830
General revenues						
Property taxes	24,487,217	25,067,430	-	-	24,487,217	25,067,430
Other taxes	21,116,521	19,729,064	1,740,319	1,691,977	22,856,840	21,421,041
State aid and mortgage taxes	3,362,632	3,801,162	-	-	3,362,632	3,801,162
Other	5,008,776	8,796,643	715	708	5,009,491	8,797,351
Total revenues	73,832,961	74,363,853	3,165,614	2,850,927	76,998,575	77,214,780
EXPENSES						
General governmental support	14,651,484	11,089,229	-	-	14,651,484	11,089,229
Public safety	38,186,837	28,318,765	-	-	38,186,837	28,318,765
Health	510,577	194,328	-	-	510,577	194,328
Transportation	8,764,430	8,993,198	-	-	8,764,430	8,993,198
Economic opportunity and development	836,815	298,385	-	-	836,815	298,385
Culture and recreation	4,608,969	3,543,009	-	-	4,608,969	3,543,009
Home and community service	13,386,089	8,701,235	-	-	13,386,089	8,701,235
Interest on long-term debt	2,463,281	2,377,706	387,400	352,733	2,850,681	2,730,439
City Center Authority	-	-	3,248,922	2,795,406	3,248,922	2,795,406
Total expenses	83,408,482	63,515,855	3,636,322	3,148,139	86,556,621	66,663,994
Transfers	(55,466)	(142,257)	55,466	142,257	-	-
CHANGE IN NET POSITION (DEFICIT)	**(9,630,987)**	**10,705,741**	**(415,242)**	**(154,955)**	**(10,046,229)**	**10,550,786**
NET POSITION (DEFICIT), *beginning of year*	**(68,057,651)**	**(78,763,392)**	**16,151,312**	**16,306,267**	**(51,906,339)**	**(62,457,125)**
NET POSITION (DEFICIT), *end of year*	**$ (77,688,638)**	**$ (68,057,651)**	**$ 15,736,070**	**$ 16,151,312**	**$ (61,952,568)**	**$ (51,906,339)**

Government-Wide Financial Analysis - Continued

Governmental Activities

Governmental activities decreased the City's net position by $9,630,987.

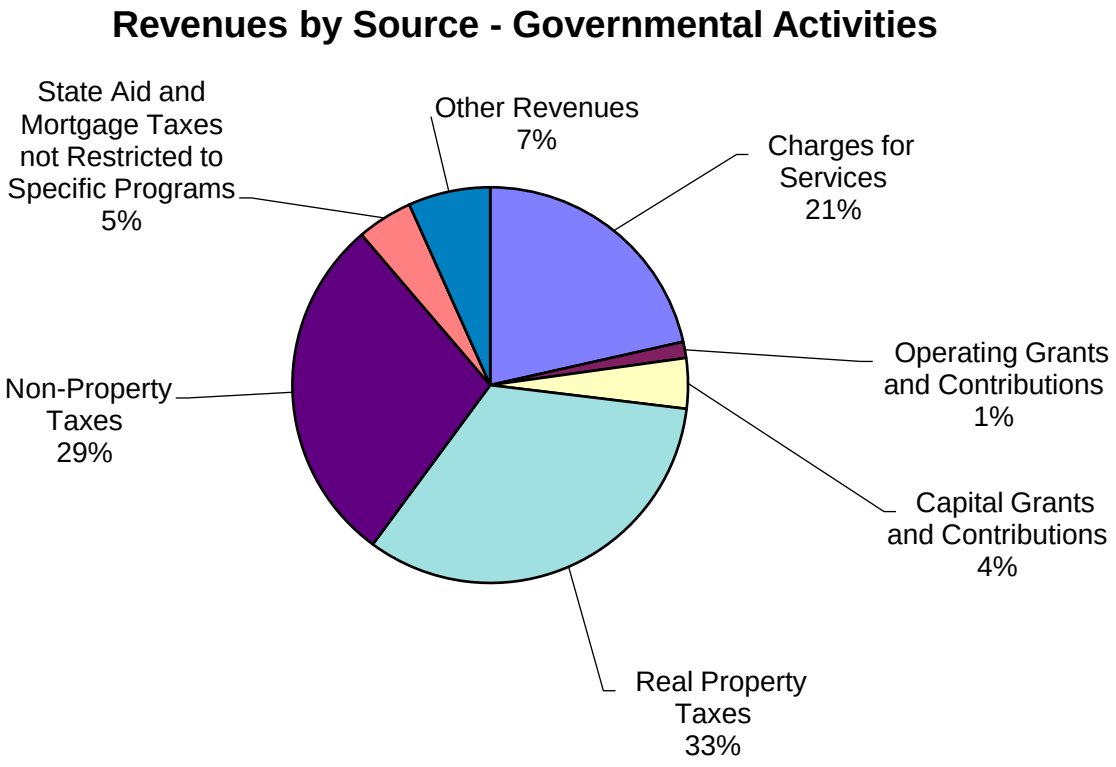
The following chart shows the expenses and program revenues of the various governmental activities:



Government-Wide Financial Analysis - Continued

Governmental Activities - Continued

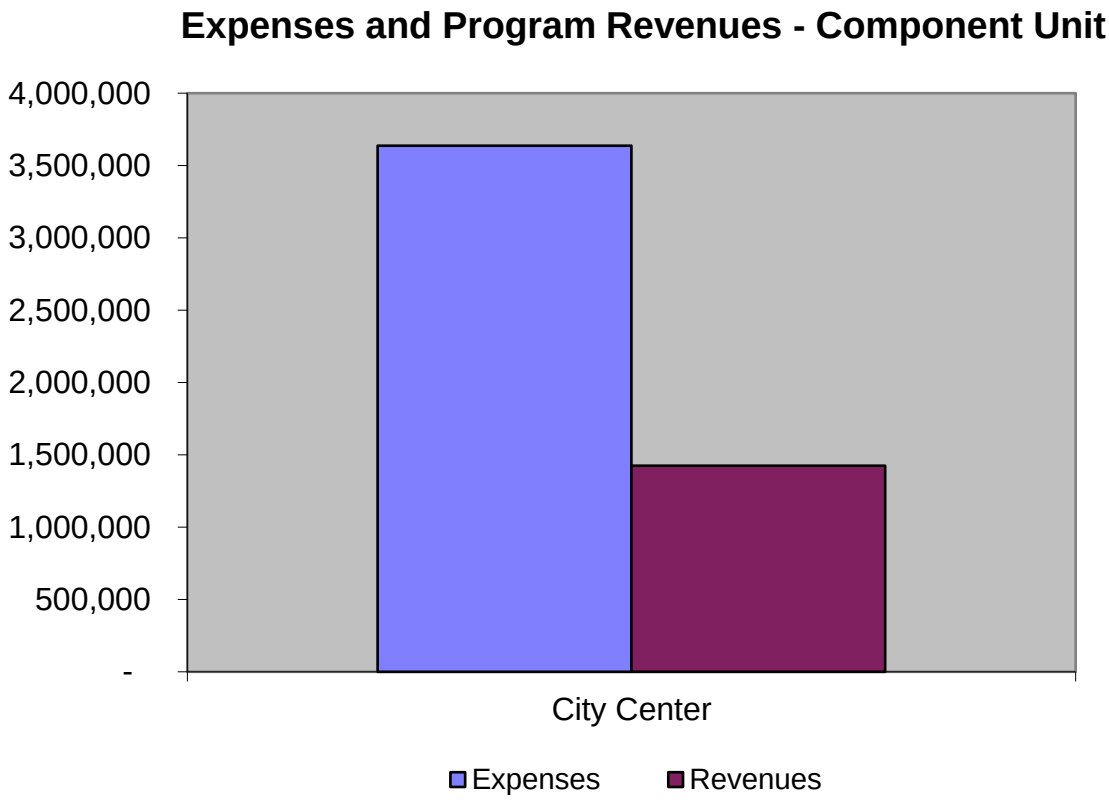
The following chart shows revenues by source for all governmental activities:



Government-Wide Financial Analysis - Continued

Discretely Presented Component Unit

The City Center Authority's net position decreased by $415,242.

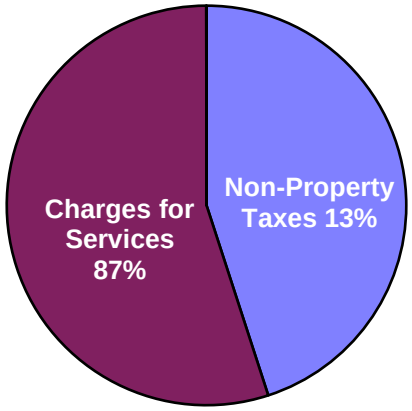


Government-Wide Financial Analysis - Continued

Discretely Presented Component Unit - Continued

The City Center Authority is reliant upon the hotel occupancy tax and other general revenues to fund operations. The following depicts the City Center Authority's revenues by source:

Revenues by Source - Business-Type Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned/assigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the City's governmental funds reported a combined ending fund balance of $47,564,308, a decrease of $2,676,128 from the prior year. Of the total fund balance, $42,461,721 is nonspendable, restricted, and assigned to indicate that it is not available for new spending because it has already been committed to (1) liquidate contracts and purchase orders of the prior period of $2,571,725; (2) be held for future capital improvements of $26,603,090; (3) restriction for retirement of $737,239; or (4) various other restrictions set by the City Council, or is not in spendable form.

Financial Analysis of the City's Funds - Continued

Governmental Funds - Continued

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was $12,295,125, while the total fund balance was $27,549,418. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21% of total General Fund expenditures, while total fund balance represents 46% of that same amount.

The overall fund balance of the City's General Fund decreased by $914,011 during the current year. Key factors in this decrease are approximated as follows:

General Fund Revenues

1. Sales Tax increased from 2022 by 8%. 2023 sales tax collections totaled approximately $18,362,000, a $1,407,000 increase from 2022 actual collection.
2. Hotel Room Occupancy Tax increased by 7%. 2023 actual collections totaled approximately $794,000, an increase of $51,000 from 2022.
3. Utilities Gross Receipts Tax decreased by 4%. Amounts received totaled approximately $496,000 in 2023, compared to $517,000 in 2022.
4. Franchise Fees decreased by 4%. Actual receipts totaled approximately $541,000 in 2023 and $566,000 in 2022.
5. Ambulance Fees increased in 2023 by approximately $400,000. Approximately $2,191,000 was collected in 2023, compared to $1,791,000 in 2022.
6. Admission Tax decreased by 5%. Amounts received totaled approximately $427,000 in 2023, compared to $451,000 in 2022.
7. VLT Aid remained consistent at $2,326,000 in both 2023 and 2022.
8. Mortgage Tax receipts decreased in 2023. Actual receipts for 2023 totaled approximately $1,713,000, a 20% decrease in comparison to 2022.
9. State Aid Revenue Sharing remained consistent at $1,650,000 in both 2023 and 2022.
10. American Rescue Plan receipts totaled approximately $3,924,000 in 2022. There were no American Rescue Plan receipts in 2023.
11. Overall, Total General Fund Revenues in 2023 were $660,000 less than 2022. Total revenues for the General Fund were approximately $56.0 million.

General Fund Expenses

1. Health Insurance costs totaled approximately $8,920,000 in 2023. This was an increase of 14% from 2022. 2023 actual expenses were approximately $1,074,000 less than the revised budget. This expense represents 16% of the General Fund expense budget.
2. Retirement costs increased by 9%. 2023 actual retirement expenses totaled approximately $5,066,000 and were $84,000 less than budgeted. The City once again took advantage of the discount and paid the retirement bill on December 15, 2023.

Financial Analysis of the City's Funds - Continued

Governmental Funds - Continued

3. Social Security expenses in 2023 totaled approximately $2,015,000, $173,000 less than budgeted and $145,000 more than 2022. Increased social security costs were the result of an increase in annual salaries and the number of full-time positions compared to 2022.
4. Utility costs were budgeted for approximately $851,000, and actual expenses were $791,000. Actual expenses in 2023 were approximately $286,000 more than fiscal year 2022. The increase is the result of an increase in rates charged for electric and gas.
5. Overtime costs totaled approximately $1,265,000 in 2023, which remained consistent compared to 2022.
6. Sick Leave payments to employees who separate from the City were approximately $153,000, a $190,000 decrease from 2022. These expenses will fluctuate from year to year based on the number of retirements.
7. Payments for Compensatory Time amounted to approximately $865,000, a 20% increase from 2022. Compensatory time payouts also fluctuate from year to year.
8. Total Personal Services Costs (excluding social security) were approximately $2,010,000 more than 2022. This was primarily the result of contractual increases and approximately 30 additional full-time positions and 15 additional part-time positions within the City. Actual expenses in 2023 were approximately $27,584,000, compared to approximately $25,574,000 in 2022.
9. Total General Fund Expenses were approximately $8.9 million more than 2022. It is important to note that $2.6 million was encumbered at year-end. Encumbrances are goods or services that are ordered or committed to in 2023 but will be received and paid for in 2024. The primary reasons for this budget versus actual variance are noted above.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities and discretely presented component unit as of December 31, 2023, amounts to $57,679,413 (net of accumulated depreciation and amortization and less outstanding debt). This investment in capital assets includes land; buildings; improvements; machinery, equipment, and vehicles; work in progress; leases; subscription-based IT arrangements; and infrastructure assets, such as roads, streets, and water systems.

Major capital asset events that occurred during the current year included the following:

- Improvements to the City's water system.
- New radio communication system for public safety.
- Storm water improvements.
- Many recreational and park improvements.
- Various equipment for the Department of Public Works.

Capital Asset and Debt Administration - Continued

Capital Assets - Continued

	December 31,					
	Governmental Activities		Component Unit		Totals	
	2023	2022	2023	2022	2023	2022
Land	$ 5,913,188	$ 5,905,310	$ -	$ -	$ 5,913,188	$ 5,905,310
Buildings	42,910,505	42,754,074	31,979,787	31,979,787	74,890,292	74,733,861
Improvements	22,950,977	22,606,816	-	-	22,950,977	22,606,816
Machinery, equipment, and vehicles	21,289,306	21,265,750	157,169	157,169	21,446,475	21,422,919
Leases	179,235	179,235	17,572	17,572	196,807	196,807
Subscription-based IT arrangements	2,590,235	-	-	-	2,590,235	-
Infrastructure	79,763,075	79,763,075	-	-	79,763,075	79,763,075
Work in progress	35,879,755	27,644,029	-	-	35,879,755	27,644,029
Totals	211,476,276	200,118,289	32,154,528	32,154,528	243,630,804	232,272,817
Accumulated depreciation and amortization	92,350,926	87,722,742	7,043,198	6,451,435	99,394,124	94,174,177
Capital assets, net of accumulated depreciation and amortization	**$ 119,125,350**	**$ 112,395,547**	**$ 25,111,330**	**$ 25,703,093**	**$ 144,236,680**	**$ 138,098,640**

Additional information on the City's capital assets can be found in Note 1i on page 33 of this report and Note 3c on pages 39 and 40.

Long-Term Debt

At the end of the current year, the City had total bonded debt outstanding of $94,111,664. In addition, the City Center Authority had total construction-related debt outstanding of $10,413,483 at December 31, 2023.

The City maintains an "AA+" rating from Standard & Poor's for general obligation debt.

New York State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year average of the total assessed valuation. The current debt limitation is significantly in excess of the City's outstanding general obligation debt. In addition, the City has a self-imposed limit of 2% of the five-year average total assessed value. The City's debt limitation is $107,072,693, which is also significantly in excess of the City's outstanding general obligation debt.

Other long-term debt includes the City's obligations for other postemployment benefits, which is primarily health insurance for eligible retirees and the City's obligations associated with its participation in the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

Additional information on the City's long-term debt can be found in the notes to the financial statements.

Economic Factors

The City is growing and thriving. The City is home to the Saratoga Race Course, one of the oldest and most prestigious thoroughbred horse racing tracks in the United States. Each summer, the racetrack operates a schedule of races that attracts world-class horses to participate in the various graded events. Operation of the racetrack is a key factor in the area's successful tourism industry, which allows the City to generate additional revenues from sales tax, hotel occupancy tax, and other similar non-property taxes and fees. The City's residential and commercial tax base remained the same in 2023. The City has added office buildings, condominiums, and many residences in the past year; however, certain assessment claims resulted in a reduction of the overall value.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Commissioner of Finance, 474 Broadway, Saratoga Springs, New York 12866-2296.

City of Saratoga Springs, New York

Government-Wide Financial Statements
Statement of Net Position

	December 31, 2023		
	Governmental Activities	Component Unit	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 14,943,450	$ 194,817	$ 15,138,267
Cash and cash equivalents, restricted	29,357,073	1,226,237	30,583,310
Receivables, net	16,871,178	430,336	17,301,514
Inventory	109,207	-	109,207
Prepaid expenses	-	27,497	27,497
Internal balances	12,050	(12,050)	-
Lease receivable	494,409	-	494,409
Accrued interest receivable	264	-	264
Total current assets	61,787,631	1,866,837	63,654,468
NONCURRENT ASSETS			
Lease receivable	4,596,339	-	4,596,339
Nondepreciable capital assets	41,792,943	-	41,792,943
Depreciable capital assets	77,332,407	25,111,330	102,443,737
Total assets	185,509,320	26,978,167	212,487,487
DEFERRED OUTFLOWS OF RESOURCES			
OPEB deferrals	23,271,532	11,418	23,282,950
Pension deferrals	22,038,806	387,421	22,426,227
Deferred refunding charges	783,964	-	783,964
Total assets and deferred outflows of resources	231,603,622	27,377,006	258,980,628
CURRENT LIABILITIES			
Accounts payable and other current liabilities	3,226,283	467,362	3,693,645
Due to custodial fund	107,670	-	107,670
Deposits payable	1,000,630	-	1,000,630
Accrued interest payable	584,697	-	584,697
Current maturities on long-term liabilities	5,492,311	311,849	5,804,160
Total current liabilities	10,411,591	779,211	11,190,802
NONCURRENT LIABILITIES			
Bonds payable	91,788,844	-	91,788,844
Construction loan	-	10,105,012	10,105,012
Compensated absences	4,254,128	-	4,254,128
OPEB	114,636,788	93,728	114,730,516
Claims payable	2,441,880	-	2,441,880
Lease liability	58,693	9,199	67,892
Subscription-based IT arrangements	1,650,128	-	1,650,128
Net pension liability	28,256,188	590,260	28,846,448
Total liabilities	253,498,240	11,577,410	265,075,650
DEFERRED INFLOWS OF RESOURCES			
OPEB deferrals	48,455,241	24,315	48,479,556
Unavailable lease resources	5,054,298	-	5,054,298
Pension deferrals	2,284,481	39,211	2,323,692
Total liabilities and deferred inflows of resources	309,292,260	11,640,936	320,933,196
NET POSITION (DEFICIT)			
Net investment in capital assets	42,994,143	14,685,270	57,679,413
Restricted	28,248,231	1,226,237	29,474,468
Unrestricted (deficit)	(148,931,012)	(175,437)	(149,106,449)
Total net position (deficit)	**$ (77,688,638)**	**$ 15,736,070**	**$ (61,952,568)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Government-Wide Financial Statements
Statement of Activities

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Unit	Total
	Year Ended December 31, 2023						
GOVERNMENTAL ACTIVITIES							
General governmental support	$ 14,651,484	$ 1,400,638	$ 349,499	$ 445,011	$ (12,456,336)	$ -	$ (12,456,336)
Public safety	38,186,837	508,414	169,811	35,478	(37,473,134)	-	(37,473,134)
Health	510,577	2,257,921	-	-	1,747,344	-	1,747,344
Transportation	8,764,430	197,705	-	2,555,433	(6,011,292)	-	(6,011,292)
Economic opportunity and development	836,815	15,749	445,631	-	(375,435)	-	(375,435)
Culture and recreation	4,608,969	1,251,182	10,100	-	(3,347,687)	-	(3,347,687)
Home and community service	13,386,089	10,215,243	-	-	(3,170,846)	-	(3,170,846)
Interest on long-term debt	2,463,281	-	-	-	(2,463,281)	-	(2,463,281)
Total governmental activities	83,408,482	15,846,852	975,041	3,035,922	(63,550,667)	-	(63,550,667)
Component Unit							
City Center Authority	3,636,322	1,424,580	-	-	-	(2,211,742)	(2,211,742)
Total government	**$ 87,044,804**	**$ 17,271,432**	**$ 975,041**	**$ 3,035,922**	**(63,550,667)**	**(2,211,742)**	**(65,762,409)**
	GENERAL REVENUES						
	Real property taxes and related tax items				24,487,217	-	24,487,217
	Non-property taxes				21,116,521	1,740,319	22,856,840
	Other general revenue items				4,684,046	-	4,684,046
	Interest earnings				324,730	715	325,445
	State aid and mortgage taxes not restricted to specific purposes				3,362,632	-	3,362,632
	Total general revenues				53,975,146	1,741,034	55,716,180
	TRANSFERS						
	Transfer from governmental activities to component unit				(55,466)	55,466	-
	Total general revenues and transfers				53,919,680	1,796,500	55,716,180
	CHANGES IN NET POSITION (DEFICIT)				**(9,630,987)**	**(415,242)**	**(10,046,229)**
	NET POSITION (DEFICIT), *beginning of year*				(68,057,651)	16,151,312	(51,906,339)
	NET POSITION (DEFICIT), *end of year*				**$ (77,688,638)**	**$ 15,736,070**	**$ (61,952,568)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Balance Sheet - Governmental Funds

	December 31, 2023						
	Major Funds						
	General	Water Activities	Sewer Activities	Capital Projects	Other Governmental Funds	Eliminations	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 13,215,124	$ -	$ -	$ -	$ 1,728,326	$ -	$ 14,943,450
Cash and cash equivalents, restricted	3,105,535	6,563,690	1,361,282	17,637,179	689,387	-	29,357,073
Receivables, net	5,264,454	1,600,105	2,099,074	3,500	32,606	-	8,999,739
Receivables from other governments	5,071,096	-	-	2,753,864	46,479	-	7,871,439
Lease receivable	5,090,748	-	-	-	-	-	5,090,748
Prepaid expenditures	1,239,531	30,210	22,097	-	-	-	1,291,838
Inventory	-	72,622	36,585	-	-	-	109,207
Due from other funds	9,515,358	937,707	-	3,739,902	-	(14,180,917)	12,050
Total assets	**$ 42,501,846**	**$ 9,204,334**	**$ 3,519,038**	**$ 24,134,445**	**$ 2,496,798**	**$ (14,180,917)**	**$ 67,675,544**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	$ 2,016,234	$ 180,963	$ 36,135	$ 419,264	$ 33,223	$ -	$ 2,685,819
Due to other funds	774	2,558,884	2,584,353	8,092,581	944,325	(14,180,917)	-
Due to custodial fund	107,670	-	-	-	-	-	107,670
Deposits payable	1,000,630	-	-	-	-	-	1,000,630
Due to other governments	537,583	-	-	-	2,881	-	540,464
	3,662,891	2,739,847	2,620,488	8,511,845	980,429	(14,180,917)	4,334,583
Deferred inflows of resources							
Unavailable tax resources	2,875,214	-	-	-	-	-	2,875,214
Unavailable lease resources	5,054,298	-	-	-	-	-	5,054,298
Other unavailable resources	3,360,025	608,359	808,431	3,037,720	32,606	-	7,847,141
	11,289,537	608,359	808,431	3,037,720	32,606	-	15,776,653
Total liabilities and deferred inflows of resources	14,952,428	3,348,206	3,428,919	11,549,565	1,013,035	(14,180,917)	20,111,236
Fund balances							
Nonspendable	1,239,531	102,832	58,682	-	-	-	1,401,045
Restricted for							
Capital improvements	1,040,939	6,563,690	1,361,282	-	-	-	8,965,911
Capital projects	-	-	-	17,637,179	-	-	17,637,179
Tax stabilization reserve	533	-	-	-	-	-	533
Retirement reserve	737,239	-	-	-	-	-	737,239
Insurance reserve	135,064	-	-	-	-	-	135,064
Other restrictions	83,460	-	-	-	688,845	-	772,305
Assigned for							
Encumbrances	2,571,725	-	-	-	-	-	2,571,725
2024 budget	9,445,802	-	-	-	-	-	9,445,802
Special district purposes	-	-	-	-	794,918	-	794,918
Unassigned	12,295,125	(810,394)	(1,329,845)	(5,052,299)	-	-	5,102,587
Total fund balances	27,549,418	5,856,128	90,119	12,584,880	1,483,763	-	47,564,308
Total liabilities, deferred inflows of resources and fund balances	**$ 42,501,846**	**$ 9,204,334**	**$ 3,519,038**	**$ 24,134,445**	**$ 2,496,798**	**$ (14,180,917)**	**$ 67,675,544**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position

	December 31, 2023
Total fund balances in the fund financial statements for the governmental funds	$ 47,564,308
This amount differs from amounts reported for governmental activities due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	119,125,350
Accrued interest on property, school taxes, and community development loans on receivables for revenues earned and measurable but not available are added.	264
Net receivables for revenues earned and measurable but not available to provide financial resources are reported as deferred inflows of resources in the governmental funds and as revenues in the government-wide statement of activities, net of the allowance for uncollectible balances.	10,722,355
Deferred outflows and inflows for pensions are included in the government-wide statements and are added:	
Prepaid expenditures - pension contributions	(1,291,838)
Deferred outflows - pension resources	22,038,806
Deferred inflows - pension resources	(2,284,481)
Deferred outflows and inflows for OPEB are included in the government-wide statements and are added:	
Deferred outflows - OPEB resources	23,271,532
Deferred inflows - OPEB resources	(48,455,241)
Long-term liabilities for bonded debt are included as liabilities in the government-wide statements and are deducted.	(96,462,536)
The difference between the bond reacquisition price and the net carrying amount of the bond is deferred and amortized to interest expense.	783,964
Long-term liabilities for OPEB obligations of the City are included as liabilities in the government-wide statements and are deducted.	(114,636,788)
Long-term assets, liabilities, deferred outflows of resources and deferred inflows of resources related to pension obligations are reported within the government-wide statements.	(28,256,188)
Liabilities for compensated absences are included in the government-wide statements and are deducted.	(4,726,809)
Liabilities for lease liabilities are included in the government-wide statements and are deducted.	(91,180)
Liabilities for subscription-based IT arrangements are included in the government-wide statements and are deducted.	(1,963,579)
Liabilities for claims against the City are included in the government-wide statements and are deducted.	(2,441,880)
Current liabilities for interest payable on long-term debt are included in the government-wide statements as liabilities and are deducted.	(584,697)
Net deficit of governmental activities	**$(77,688,638)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2023					
	Major Funds				Other	Total
	General	Water Activities	Sewer Activities	Capital Projects	Governmental Funds	Governmental Funds
REVENUES						
Real property taxes and related tax items	$ 18,345,914	$ -	$ -	$ -	$ 4,749,118	$ 23,095,032
Non-property taxes	21,116,521	-	-	-	-	21,116,521
Water charges	-	4,139,195	-	-	-	4,139,195
Sewer charges	-	-	5,360,402	-	-	5,360,402
Departmental income	4,392,490	-	-	-	15,749	4,408,239
Intergovernmental charges	750,571	-	-	347,588	-	1,098,159
Use of money and property	820,808	157	30,590	-	73,779	925,334
Licenses and permits	579,682	-	-	-	-	579,682
Fines and forfeitures	609,066	-	-	-	-	609,066
Sale of property and compensation for loss	1,115,063	65,608	30,949	-	-	1,211,620
Miscellaneous	2,826,968	1,471	3,514	412,772	39,869	3,284,594
State aid	5,046,572	-	-	278,267	-	5,324,839
Federal aid	468,772	-	-	786,765	445,631	1,701,168
Total revenues	56,072,427	4,206,431	5,425,455	1,825,392	5,324,146	72,853,851
EXPENDITURES						
General governmental support						
Mayor	1,333,903	-	-	-	-	1,333,903
Finance	2,691,553	-	-	-	-	2,691,553
Public Works	4,926,469	-	-	-	-	4,926,469
Accounts	1,478,788	-	-	-	-	1,478,788
Civil Service	454,688	-	-	-	-	454,688
Other general governmental support	1,863,918	-	-	-	45,630	1,909,548
Public safety						
Police	14,917,545	-	-	-	-	14,917,545
Fire	12,498,634	-	-	-	-	12,498,634
Other public safety	6,574,145	-	-	-	-	6,574,145
Health	465,519	-	-	-	-	465,519
Transportation	5,932,135	-	-	-	-	5,932,135
Economic opportunity and development	702,589	-	-	-	60,375	762,964
Culture and recreation	3,360,021	-	-	-	-	3,360,021
Home and community service	1,648,106	3,301,827	5,670,830	-	454,317	11,075,080
Debt service						
Principal	659,234	642,178	127,591	-	3,075,231	4,504,234
Interest	66,235	539,018	112,847	-	2,395,578	3,113,678
Capital outlay						
Public Works	-	-	-	44,000	-	44,000
Other general governmental support	-	-	-	768,157	-	768,157
Police	-	-	-	4,565,587	-	4,565,587
Fire	-	-	-	108,091	-	108,091
Other public safety	-	-	-	53,742	-	53,742
Transportation	-	-	-	1,972,837	-	1,972,837
Culture and recreation	-	-	-	1,818,722	-	1,818,722
Home and community service	-	-	-	3,344,073	-	3,344,073
Total expenditures	59,573,482	4,483,023	5,911,268	12,675,209	6,031,131	88,674,113
Deficiency of revenues over expenditures	**(3,501,055)**	**(276,592)**	**(485,813)**	**(10,849,817)**	**(706,985)**	**(15,820,262)**
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	1,500,000	-	9,109,365	-	10,609,365
Proceeds from subscription-based IT arrangements	2,590,235	-	-	-	-	2,590,235
Interfund transfers in	52,275	362,648	-	379,993	56,548	851,464
Interfund transfers out	(55,466)	-	(379,993)	(369,693)	(101,778)	(906,930)
Total other financing sources (uses)	2,587,044	1,862,648	(379,993)	9,119,665	(45,230)	13,144,134
NET CHANGE IN FUND BALANCES	**(914,011)**	**1,586,056**	**(865,806)**	**(1,730,152)**	**(752,215)**	**(2,676,128)**
FUND BALANCES, *beginning of year*	28,463,429	4,270,072	955,925	14,315,032	2,235,978	50,240,436
FUND BALANCES, *end of year*	**$ 27,549,418**	**$ 5,856,128**	**$ 90,119**	**$ 12,584,880**	**$ 1,483,763**	**$ 47,564,308**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities

		Year Ended December 31, 2023
Net change in fund balances shown for total governmental funds		$ (2,676,128)
This amount differs from the change in net position shown in the statement of activities because of the following:		
Outlays for the acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for the acquisition of capital assets exceeded depreciation expense for the period.		
Capital expenditures	11,357,987	
Depreciation expense	(4,628,184)	6,729,803
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of proceeds and repayments:		
Repayment and refunding of bond principal	3,845,000	
Amortization of bond premiums	576,572	
Long-term debt proceeds	(10,609,365)	(6,187,793)
Refunding bonds were issued at a premium that will be amortized into interest expense. Amounts placed into escrow to pay principal and interest on the refunded bonds in excess of book value are reported as deferred outflows of resources and amortized into interest expense.		
Premiums on refunding bonds	(412,772)	
Amortization of deferred charges on refunding bonds	(78,173)	(490,945)
Long-term assets, liabilities, deferred outflows of resources and deferred inflows of resources related to pension obligations are reported within the government-wide statements.		
Net pension liability, net of deferrals		(3,926,903)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Pension-related deferred outflows and inflows represent long-term activity and are not reported in the funds.		
Accrued interest payable	151,998	
Compensated absences	(273,999)	
OPEB, net of deferrals	(2,417,901)	(2,539,902)
Right-to-use assets from leases and subscription-based IT arrangements provide current financial resources to governmental funds, but the related liabilities increase long-term liabilities in the statement of net position. Repayment of the liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of lease liability	32,578	
Proceeds from subscription-based IT arrangements	(2,590,235)	
Repayment of subscription-based IT arrangements	626,656	(1,931,001)
Deferred inflows of resources related to the City's revenues that will be collected after year-end but are not available soon enough to pay for the current period's expenditures are deferred in the funds.		
Accrued interest receivable	(303)	
Unavailable revenues	1,392,185	1,391,882
Change in net position of governmental activities		**$ (9,630,987)**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Statement of Fiduciary Net Position - Custodial Funds

	December 31, 2023	
	Custodial Fund	Private Purpose Trust
ASSETS		
Cash and cash equivalents	$ 1,593,231	$ 38,921
Due from other funds	107,670	-
Total assets	1,700,901	38,921
NET POSITION		
Restricted		
Building and zoning escrow	1,700,901	-
Congress Park veterans' memorial	-	38,921
	$ 1,700,901	**$ 38,921**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Fund Financial Statements
Statement of Changes in Fiduciary Net Position - Custodial Funds

	Year Ended December 31, 2023	
	Custodial Fund	Private Purpose Trust
ADDITIONS		
Building and zoning escrow	$ 192,889	$ -
Interest earnings	777	270
Total additions	193,666	270
DEDUCTIONS		
Building and zoning escrow	161,124	-
CHANGE IN NET POSITION	**32,542**	**270**
NET POSITION, *beginning of year*	1,668,359	38,651
NET POSITION, *end of year*	**$ 1,700,901**	**$ 38,921**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Component Unit Financial Statements
Statement of Net Position

	December 31, 2023
	City Center Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets	
Cash and cash equivalents	$ 194,817
Cash and cash equivalents, restricted	1,226,237
Receivables	430,336
Prepaid expenses	27,497
Total current assets	1,878,887
Noncurrent assets	
Depreciable capital assets	25,111,330
Total assets	26,990,217
DEFERRED OUTFLOWS OF RESOURCES	
OPEB deferrals	11,418
Pension deferrals	387,421
Total deferred outflows of resources	398,839
Total assets and deferred outflows of resources	27,389,056
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current liabilities	
Accounts payable and other current liabilities	467,362
Construction loan, current	308,471
Lease liability, current	3,378
Due to governmental funds	12,050
Total current liabilities	791,261
Noncurrent liabilities	
Construction loan	10,105,012
Lease liability	9,199
Net pension liability	590,260
OPEB	93,728
Total liabilities	11,589,460
DEFERRED INFLOWS OF RESOURCES	
OPEB deferrals	24,315
Pension deferrals	39,211
Total deferred inflows of resources	63,526
Total liabilities and deferred inflows of resources	11,652,986
NET POSITION	
Investment in capital assets, net of related debt	14,685,270
Restricted for capital improvements	1,226,237
Unrestricted	(175,437)
Total net position	**$ 15,736,070**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Component Unit Financial Statements
Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended December 31, 2023
	City Center Authority
OPERATING REVENUES	
Facility charges	$ 1,424,580
OPERATING EXPENSES	
Costs of sales and services	1,114,394
Administration	1,542,765
Depreciation	591,763
Total operating expenses	3,248,922
Operating loss	**(1,824,342)**
NONOPERATING REVENUES (EXPENSES)	
Hotel occupancy tax	1,740,319
Interest and earnings	715
Interest expense	(387,400)
Total nonoperating revenues (expenses)	1,353,634
Loss before transfers	**(470,708)**
Transfer from governmental funds	55,466
CHANGE IN NET POSITION	**(415,242)**
NET POSITION, *beginning of year*	16,151,312
NET POSITION , *end of year*	**$ 15,736,070**

See accompanying Notes to Financial Statements.

City of Saratoga Springs, New York

Component Unit Financial Statements
Statement of Cash Flows

	Year Ended December 31, 2023
	City Center Authority
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	
Charges for services	$ 1,390,134
Payments to contractors and suppliers	(1,699,684)
Payments to employees, payroll taxes and benefits	(961,224)
	(1,270,774)
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments on construction loan	(298,548)
Payments on lease liability	(3,150)
Interest paid	(387,400)
	(689,098)
CASH FLOWS PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Hotel occupancy tax	1,740,319
Transfers and other	54,810
	1,795,129
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	
Interest received	**715**
Net decrease in cash and cash equivalents	**(164,028)**
CASH AND CASH EQUIVALENTS, *beginning of year*	1,585,082
CASH AND CASH EQUIVALENTS, *end of year*	**$ 1,421,054**
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating loss	$ (1,824,342)
Depreciation	591,763
(Increase) decrease in	
Receivables	(34,446)
Prepaid expenses	(16,240)
Deferred outflows of resources, pension deferrals	(19,637)
Deferred outflows of resources, OPEB deferrals	2,780
Increase (decrease) in	
Accounts payable and other current liabilities	(113,899)
Deferred inflows of resources, pension deferrals	(629,394)
Deferred inflows of resources, OPEB deferrals	8,503
Net pension liability	781,589
OPEB	(17,451)
Net cash provided (used) by operating activities	**$ (1,270,774)**

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

The financial statements of the City of Saratoga Springs, New York (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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.

a. Reporting Entity

The City of Saratoga Springs, New York was incorporated as a City in 1915 and is governed by its Charter, City Local Laws, General City Law, and other general laws of the State of New York. The City is a municipal corporation governed by a five-member elected Council, one Mayor, and four Commissioners. Each Commissioner serves as the head of a department: Finance, Public Works, Public Safety, and Accounts. The Mayor serves as Chief Executive Officer, and the Commissioner of Finance serves as the Chief Fiscal Officer. The City provides water, sewer, police and fire protection, highway and street, cultural and recreational, public improvement, planning and zoning, and general administrative services to the residents of the City.

In evaluating how to define the City 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 U.S. 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 City and/or its citizens, or whether the activity is conducted within geographic boundaries of the City and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based on the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

The following is included in the reporting entity:

<u>Saratoga Springs City Center Authority</u>

The Saratoga Springs City Center Authority (City Center) was created by New York State under Section 2490-C of Public Authorities Law. The City Center board of trustees consists of a chairman and six other members, all of whom are appointed by the mayor of the City, with the consent of the City Council.

The Mayor or their designee serves as an ex officio, nonvoting member of the board of trustees while in office. The City Center was created for the purposes of designing, constructing and operating a convention center with the City, which includes bonding authority separate from the City. The City Center is exempt from taxes. The City Center is reported as a discretely presented component unit.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

a. Reporting Entity - Continued

The following are excluded from the reporting entity:

City of Saratoga Springs School District

The City of Saratoga Springs School District (District) was created by New York State legislation that designates the School Board as the governing authority. School Board members are elected by the qualified voters of the District. The School Board designates management and exercises complete responsibility for all fiscal matters. The City Council exercises no oversight over school operations.

Saratoga Springs Housing Authority

The Saratoga Springs Housing Authority's (Housing Authority) governing board is appointed by the Chief Executive Officer of the City. The City provides no subsidy to the Housing Authority nor is it responsible for debt or operating deficits of the Housing Authority. The Housing Authority's debt is essentially supported by operating revenues of the Housing Authority and is not guaranteed by the City. The City does not appoint management of the Housing Authority, nor does it approve the Housing Authority's budget, contracts, or hiring staff. The City has no oversight responsibility for funds of the Housing Authority.

The City's significant accounting policies are described below:

b. Government-Wide and Fund Financial Statements

The governmental reporting model includes the following sections: Management's Discussion and Analysis, Government-Wide Financial Statements, and Fund Financial Statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government. The effect of interfund activities has been removed from these statements.

The statement of net position presents the financial condition of the City's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types."

Separate financial statements are provided for governmental and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. A fund is a separate accounting entity with a self-balancing set of accounts.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, discretely presented component unit, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the related cash flows. Property taxes are recognized as revenues in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City has not maintained accounting records to support the completeness and accuracy of capital asset balances and has not calculated depreciation on capital asset balances. U.S. GAAP requires the capitalization and depreciation of capital assets. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities and discretely presented component unit has not been determined.

Governmental fund 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 and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances of these funds presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual (i.e., as soon as they are 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 current liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting, except that:

- Payments for the acquisition 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 credits are used by employees.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Property taxes, water and sewer rents, sales taxes, mortgage taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash (i.e., fine, permit, and parking meter revenues).

The City also reports deferred inflows of resources in its fund financial statements for certain revenues other than property taxes. Deferred inflows of resources arise when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for its deferred inflows of resources is removed from the balance sheet and revenue is recognized.

d. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The activities of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources (uses), which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations or limitations. The City'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 City's governmental funds are as follows:

i. The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund operates within the financial limits of an annual budget adopted by the City Council.

ii. The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

iii. The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities. Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Fund Accounting - Continued

Fund Types - Continued

iv. *Special revenue funds* are used to account for specific revenues (other than those generated for major capital projects) that are legally restricted to expenditures for particular purposes. The City reports the following special revenue funds:

- The Special Grant Fund (Community Development) is used to account for federally funded community development block grants, revolving loan funds, and other federally funded programs.
- The Water Fund is used to report operations of the City's water treatment and supply facilities that provide drinking water to all City residents, as well as to certain local communities outside of the City's corporate boundaries. Users of the water system, inside and outside of the City limits, are charged a user fee to pay for the operation of the Water Fund. The fund also records revenues and expenses associated with extending the water line. A water service connection fee is collected when a new user taps into the system, and the revenue is reserved for future expansion of the system.
- The Sewer Fund is used to report operations of the City's wastewater treatment facilities and sanitary sewer system that is provided to all City residents. The sewer system infrastructure is owned by the Saratoga County Sewer District. Users of the sewer system are charged a fee based on an annual bill from the Saratoga County Sewer District.
- The City has two special districts: the Downtown Special Assessment District (SAD) and the West Avenue Special Assessment District (WASAD). Both were established to make improvements within the boundaries of the applicable districts and are funded by special assessments on the property owners within each district.

The *City Center Authority Fund* (Authority), the discretely presented component unit, accounts for the day-to-day business operations of the convention and tourism center. The execution of the daily operations of the City Center rests with the Authority. The City Council maintains fiscal control over the Authority through various aspects of New York State legislation. The Authority reports activities for which fees are charged to external customers for goods and services provided, and the City's fee pricing policies are established to recover costs of providing such services, including capital costs, such as depreciation or debt service. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and the depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are used to report resources that are held by the City in a trustee or agency capacity for others and cannot be used to support the City's own programs. The City maintains a custodial fund to account for assets that the City holds on behalf of others as their agent. The City maintains a Private Purpose Trust Fund to account for private donations to support a veterans' memorial in Congress Park.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures and other financing sources (uses) during the reporting year. Actual results could differ from those estimates.

f. Interfund Receivables/Payables

During the year, transactions often occur between the various funds. Transactions considered loans or advances to be repaid are recorded as current assets and liabilities in the fund financial statements as either "due to or due from other funds." In the government-wide financial statements, amounts due to and due from the same activities are eliminated. Any residual balances outstanding between the governmental activities and the discretely presented component unit are reported in the government-wide financial statements as "internal balances."

g. Receivables

All property and school tax receivables are shown net of an allowance for uncollectibles, if any. The property and school tax receivables allowance, when required, is equal to 6% of outstanding property and school taxes. Water and sewer rents not collected by year-end are relevied on the subsequent year's tax roll.

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on January 1 and are payable in four installments on the first of March, June, September, and December. The City bills and collects its own property taxes and also collects taxes for Saratoga County and the delinquent taxes for the School District. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Economic development and rehabilitation loans are shown net of an allowance for uncollectibles. Non-performing loans are evaluated for collectability on a periodic basis but not less than annually. The City pursues all legal options to help ensure the collection of outstanding balances. A reserve of approximately $109,400 for non-performing loans has been established in the Special Grants Fund by the City, based on currently known facts regarding the probability of collection.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term, discounted by the explicit or implicit interest rate in the agreement or the City's incremental borrowing rate at lease inception. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

h. Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market (net realizable value). Inventory consists of expendable supplies held for consumption.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Capital Assets, Net

Capital assets include land; buildings; improvements; machinery, equipment, and vehicles; leased assets; subscription-based IT arrangements; and infrastructure (e.g., roads, sidewalks, and similar items). Capital assets are reported in the applicable governmental activities or discretely presented component unit columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life of six or more years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair 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.

The City records subscription-based IT arrangements and leased assets at the commencement of the subscription-based IT arrangement or lease. The assets are initially measured at the amount of the related liability, less payments made at or before the subscription-based IT arrangement or lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any incentives received at or before the commencement date. Subsequently, the asset is amortized on a straight-line basis over the shorter of the subscription-based IT arrangement or lease term or the useful life of the asset.

All capital assets are depreciated using the straight-line method over the following estimated useful lives, with the exception of subscription-based IT arrangements and leases, which are amortized over the terms of the respective agreements (18 months to 10 years, and four to five years, respectively):

Assets	Years
Buildings	50
Improvements	20
Streets/roads	25
Sewer and water infrastructure	75
Other infrastructure	25-30
Machinery, equipment and vehicles	5-20

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There was no impairment of long-lived assets as of December 31, 2023.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

j. Net Position

Net position is reported as restricted when constraints placed on net position use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or

2. Imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the City to assess, levy, or otherwise mandate payment of resources and includes legally enforceable requirements that those resources be used for that specific purpose stipulated in legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups, or the judiciary) can compel the government to honor. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings, excluding unexpended proceeds, that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position described above.

k. Fund Balances

Fund balances for governmental funds are reported in classifications that compose a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

Nonspendable - Amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted - Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution or ordinance by the government's highest level of decision-making authority.

Assigned - Amounts that are constrained only by the government's *intent* to be used for a specified purpose but are not restricted or committed in any manner.

Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed or assigned for those purposes, then a negative unassigned fund balance will occur.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

k. Fund Balances - Continued

The City's fund balance policy is set by the City Council, the highest level of decision-making authority. The City considers formal action for a committed fund balance to be the passing of a resolution by the City Council. The City Council has delegated the ability to assign fund balance to the Commissioner of Finance. The City considers funds to be expended in the order of restricted, committed, assigned, and unassigned. In accordance with the City's fund balance policy, unrestricted fund balance in the General Fund, the Water Fund, and the Sewer Fund may not be less than 10% or more than 25% of the total adopted budgeted expenditures of each fund. In the event that the unrestricted fund balance of each fund exceeds the maximum requirement, the excess may be utilized for any lawful purpose approved by the City Council.

l. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick pay benefits. All sick pay is accrued when incurred in the government-wide financial statements. Expenditures for these amounts are reported in governmental funds when paid to employees.

m. Long-Term Obligations

In the government-wide and discretely presented component unit financial statements, long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bonds payable are reported net of applicable bond premium or discount, if any. At the commencement date of a subscription-based IT arrangement or lease, the City records a subscription-based IT arrangement or lease liability at the present value of payments expected to be made during the related term.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The City's special assessment districts, SAD and WASAD, have outstanding bonded debt. SAD currently makes the annual debt payment on the Putnam Street parking deck project when due and has an arrangement with the City for reimbursement in the event that there is default by a taxpayer. WASAD is repaying its 50% share of the betterment on the West Avenue improvement project debt on an extended payment plan. The City makes the scheduled debt payment annually, and WASAD reimburses the City every year at a lower amount than the actual debt. When the bond is fully paid off, WASAD will continue to reimburse the City for its remaining portion of the bond.

n. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets by the City that is applicable to a future period. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows of resources and deferred inflows of resources are reported in separate sections following assets and liabilities, respectively. The City also reports deferred inflows of resources in the governmental funds for receivable balances that do not meet the "availability" criterion for revenue recognition.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

n. Deferred Outflows of Resources and Deferred Inflows of Resources - Continued

The City has reported deferred outflows of resources for a deferred loss on refunding bonds in the government-wide statement of net position. These amounts result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City has reported deferred inflows of resources for leases in the government-wide and General Fund financial statements, and for real property taxes received in advance of the lien date and other unavailable resources in the governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Pension benefits, postemployment benefits other than pensions (OPEB), and the related deferred outflows of resources and deferred inflows of resources are reported in the governmental activities and the discretely presented component unit.

o. Adoption of Accounting Standard

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). The primary objective of GASB 96 to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. GASB 96 defines a subscription-based information technology arrangement, establishes that a subscription-based information technology arrangement results in a right-to-use asset and corresponding liability, provides capitalization criteria for outlays other than subscription payments and requires note disclosures in the notes to the financial statements.

The City adopted GASB 96 on January 1, 2023, which included the recording of the following, which had no effect on beginning net position or fund balance:

Governmental Activities		
Capital assets - subscription-based IT arrangements	$	2,590,235
Liability - subscription-based IT arrangements		2,590,235

p. Subsequent Events

The City has evaluated subsequent events for potential recognition or disclosure through October 30, 2024, the date the financial statements were available to be issued.

Note 2 - Stewardship, Compliance, and Accountability

The City's budget adoption process is described in the City Charter. The Mayor and the Commissioners present their budget requirements for the following year to the Commissioner of Finance on or before October 1 each year for the General Fund, the Debt Service Fund, the Water Fund, the Sewer Fund, the special assessment districts, and the Authority. The Commissioner of Finance then prepares a proposed budget for the forthcoming year and submits it to the City Council on or before the third Monday in October. After receiving the proposed budget, the City Council establishes a date, time, and place for a public hearing, with a public notice duly advertised of such hearing. At a regular or special meeting held after the public hearing but not later than the 30th day of November, the City Council adopts, or amends and adopts, the budget for the ensuing year. Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations are usually necessary.

Budgets for the Special Grant Fund are adopted for each federal program as they occur and generally on a federal program year. Budgets for major capital projects are adopted on an as-needed basis and remain in effect for the life of the project. Generally, major capital projects are financed by bonds, capital grants, and/or other applicable financing sources. Current appropriations for capital expenditures are adopted according to the above-described timetable.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Note 3 - Detailed Notes on all Funds

a. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits, time deposits, and short-term investments with a maturity date within three months of the date acquired by the City and cash on hand.

The City's investment policies are governed by New York State statutes. In addition, the City has its own investment policy. In accordance with New York State statutes and the City's investment policy, City monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State of New York. The City is authorized to use demand deposits, time deposits, and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State or its localities. When applicable, the City values investment securities at fair value.

Collateral

New York State statutes require the City to collateralize its cash deposits in excess of the FDIC limit of $250,000. This collateral must be in the form of state and local government securities held in trust for, and pledged to secure, the City's deposits. The City's deposits were adequately insured or collateralized as of December 31, 2023.

Note 3 - Detailed Notes on all Funds - Continued

a. Cash, Cash Equivalents, and Investments - Continued

Cash, Cash Equivalents, and Investments, Restricted

The City had restricted cash and cash equivalents for governmental activities comprising the following:

Capital projects	$ 17,637,179
Capital improvements	8,965,911
Custodial liabilities	1,108,300
Retirement reserve	737,239
Debt service	562,186
Insurance reserve	135,064
Community development	125,219
Other restrictions	85,975
Total restricted cash and cash equivalents	$ 29,357,073

Restricted cash and cash equivalents for the discretely presented component unit comprise City Center capital improvements and total $1,226,237 at December 31, 2023.

b. Receivables

Receivables at year-end, categorized by individual fund and in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities						
Receivables	General	Water Activities	Sewer Activities	Capital Projects	Other Governmental Funds	Component Unit	Total
City and county taxes	$ 920,151	$ -	$ -	$ -	$ -	$ -	$ 920,151
School taxes	481,549	-	-	-	-	-	481,549
Tax sales	2,348,330	-	-	-	-	-	2,348,330
Water rents	-	1,597,163	-	-	-	-	1,597,163
Sewer rents	-	-	2,096,893	-	-	-	2,096,893
Accounts	1,514,424	2,942	2,181	-	-	50,408	1,569,955
Rehabilitation loans	-	-	-	-	142,000	-	142,000
State and federal	4,681,175	-	-	2,757,364	46,479	-	7,485,018
Other governments	389,921	-	-	-	-	379,928	769,849
Total gross receivables	10,335,550	1,600,105	2,099,074	2,757,364	188,479	430,336	17,410,908
Allowance for uncollectible accounts	-	-	-	-	(109,394)	-	(109,394)
Total net receivables	$ 10,335,550	$ 1,600,105	$ 2,099,074	$ 2,757,364	$ 79,085	$ 430,336	$ 17,301,514

These receivables are shown in the statement of net position as follows:

Receivables, net of allowances	
Governmental activities	$ 16,871,178
Component unit	430,336
Total	$ 17,301,514

Note 3 - Detailed Notes on all Funds - Continued

c. Capital Assets

Capital asset activity was as follows:

Governmental Activities	Balance January 1, 2023	Additions	Retirement Reclassifications	Balance December 31, 2023
Capital assets not being depreciated				
Land	$ 5,905,310	$ 7,878	$ -	$ 5,913,188
Work in progress	27,644,029	8,242,631	(6,905)	35,879,755
Total capital assets not being depreciated	33,549,339	8,250,509	(6,905)	41,792,943
Depreciable capital assets				
Buildings	42,754,074	156,431	-	42,910,505
Improvements	22,606,816	344,161	-	22,950,977
Machinery, equipment, and vehicles	21,265,750	23,556	-	21,289,306
Leases	179,235	-	-	179,235
Subscription-based IT arrangements	-	2,590,235	-	2,590,235
Infrastructure	79,763,075	-	-	79,763,075
Total depreciable capital assets	166,568,950	3,114,383	-	169,683,333
Less accumulated depreciation				
Buildings	10,567,260	593,988	-	11,161,248
Improvements	10,714,698	1,305,948	-	12,020,646
Machinery, equipment, and vehicles	16,804,696	1,088,741	-	17,893,437
Leases	31,113	38,630	-	69,743
Subscription-based IT arrangements	-	349,267	-	349,267
Infrastructure	49,604,975	1,251,610	-	50,856,585
Total accumulated depreciation	87,722,742	4,628,184	-	92,350,926
Net depreciable capital assets	78,846,208	(1,513,801)	-	77,332,407
Total net capital assets governmental activities	$ 112,395,547	$ 6,736,708	$ (6,905)	$ 119,125,350

Component Unit	Balance January 1, 2023	Additions	Retirement	Balance December 31, 2023
Depreciable capital assets				
Machinery, equipment, and vehicles	$ 157,169	$ -	$ -	$ 157,169
Leases	17,572	-	-	17,572
Buildings and improvements	31,979,787	-	-	31,979,787
	32,154,528	-	-	32,154,528
Less accumulated depreciation				
Machinery, equipment, and vehicles	114,832	179	-	115,011
Leases	1,861	3,514	-	5,375
Buildings and improvements	6,334,742	588,070	-	6,922,812
Total accumulated depreciation	6,451,435	591,763	-	7,043,198
Total net capital assets City Center	$ 25,703,093	$ (591,763)	$ -	$ 25,111,330

Note 3 - Detailed Notes on all Funds - Continued

c. Capital Assets - Continued

Depreciation expense was charged to the City's governmental activities as follows:

General governmental support	$ 538,245
Public safety	415,208
Transportation	2,048,513
Culture and recreation	734,719
Home and community service	891,499
Total depreciation expense for governmental activities	$ 4,628,184

Depreciation expense for the discretely presented component unit totaled $591,763 for the year ended December 31, 2023.

d. Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Amounts due to/from other funds in the fund financial statements were as follows:

	Due to Other Funds						
Due From Other Funds	General Fund	Water	Sewer	Capital Projects	Other Governmental Funds	Component Unit	Totals
General Fund	$ -	$ 1,404,109	$ -	$ 8,092,581	$ 6,618	$ 12,050	$ 9,515,358
Capital Projects Fund	774	1,154,775	2,584,353	-	-	-	3,739,902
Water Fund	-	-	-	-	937,707	-	937,707
Custodial Fund	107,670	-	-	-	-	-	107,670
	$ 108,444	$ 2,558,884	$ 2,584,353	$ 8,092,581	$ 944,325	$ 12,050	$ 14,300,637

Interfund transfers in the governmental fund financial statements between governmental funds were as follows:

	Transfers In					
Transfers Out	General	Capital Projects	Water	Other Governmental Funds	Component Unit	Totals
General Fund	$ -	$ -	$ -	$ -	$ 55,466	$ 55,466
Capital Projects Fund	7,045	-	362,648	-	-	369,693
Sewer Fund	-	379,993	-	-	-	379,993
Other Governmental Funds	45,230	-	-	56,548	-	101,778
	$ 52,275	$ 379,993	$ 362,648	$ 56,548	$ 55,466	$ 906,930

In the government-wide statement of net position, interfund receivables and payables between governmental activities were eliminated, leaving $12,050 due to the governmental activities from the discretely presented component unit. In the government-wide statement of activities, interfund transfers between governmental activities were eliminated, leaving $55,466 in transfers from the governmental activities to the discretely presented component unit.

Note 3 - Detailed Notes on all Funds - Continued

e. Long-Term Liabilities

The changes in the City's long-term liabilities were as follows:

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2023	Due Within One Year
Governmental activities					
Bonds payable	$ 87,347,299	$ 10,609,365	$ 3,845,000	$ 94,111,664	$ 4,456,664
Bond premiums	2,514,672	412,772	576,572	2,350,872	217,028
	89,861,971	11,022,137	4,421,572	96,462,536	4,673,692
Other noncurrent liabilities					
Landfill liability post-closure maintenance	2,441,880	-	-	2,441,880	-
Compensated absences	4,452,810	719,280	445,281	4,726,809	472,681
Lease liability	123,758	-	32,578	91,180	32,487
Subscription-based IT arrangements	-	2,590,235	626,656	1,963,579	313,451
Net pension liability	1,927,955	26,328,233	-	28,256,188	-
OPEB	139,691,719	10,228,350	35,283,281	114,636,788	-
	148,638,122	39,866,098	36,387,796	152,116,424	818,619
Governmental activities long-term liabilities	$238,500,093	$ 50,888,235	$ 40,809,368	$248,578,960	$ 5,492,311

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2023	Due Within One Year
Component unit					
Lease liability	$ 15,727	$ -	$ 3,150	$ 12,577	$ 3,378
Net pension liability	-	590,260	-	590,260	-
Construction loans	10,712,031	-	298,548	10,413,483	308,471
OPEB	111,179	2,245	19,696	93,728	-
	10,838,937	592,505	321,394	11,110,048	311,849
Component unit long-term liabilities	$ 10,838,937	$ 592,505	$ 321,394	$ 11,110,048	$ 311,849

f. Indebtedness

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

In June 2023, the City issued $10,609,365 in Public Improvement Serial Bonds to finance various projects throughout the City. The Public Improvement Serial Bonds begin repayment in June 2024 and are repaid annually through June 2046 at a fixed interest rate of 4.00%.

Note 3 - Detailed Notes on all Funds - Continued

f. Indebtedness - Continued

General Obligation Bonds - Continued

General obligation bonds are direct obligations of the City and are pledged by the full faith and credit of the City. Generally, the City's general obligation bonds are tax-exempt for federal and New York State income tax purposes. These bonds generally are issued as 20-year to 30-year serial bonds with equal amounts of principal and interest maturing each year. General obligation bonds currently outstanding for the City's governmental activities are as follows:

Public Improvement Bonds	Issue Date	Maturity	Rate	December 31, 2023
Serial bond, general obligation	01/09	01/24	4.250%	$ 65,000
Serial bond, general obligation	06/14	06/34	2.810%	3,185,000
Refunding bond	12/14	02/35	2.878%	10,665,000
Serial bond, general obligation	06/15	06/40	3.310%	4,515,000
Serial bond, general obligation	06/16	06/33	2.095%	1,925,000
Serial bond, general obligation	06/17	06/40	2.489%	6,315,000
Refunding bond	07/18	07/39	3.802%	5,045,000
Serial bond, general obligation	06/18	06/42	3.097%	5,840,000
Serial bond, general obligation	06/19	06/40	2.423%	8,390,000
Serial bond, general obligation	06/20	06/42	2.050%	6,665,000
Refunding bond	08/20	04/39	3.856%	5,490,000
Serial bond, general obligation	06/21	06/51	2.091%	5,925,000
Refunding bond	06/21	06/33	2.607%	2,340,000
Serial bond, general obligation	06/22	06/49	3.964%	17,137,299
Serial bond, general obligation	06/23	06/46	4.000%	10,609,365
				$ 94,111,664

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Principal	Interest	Total
Year ending December 31,			
2024	$ 4,456,664	$ 3,212,209	$ 7,668,873
2025	4,435,000	2,865,836	7,300,836
2026	4,595,000	2,717,943	7,312,943
2027	4,750,000	2,562,668	7,312,668
2028	4,925,000	2,404,399	7,329,399
2029 - 2033	25,285,000	9,614,694	34,899,694
2034 - 2038	21,655,000	5,853,139	27,508,139
2039 - 2043	14,245,000	2,788,528	17,033,528
2044 - 2048	7,900,000	967,444	8,867,444
2049 - 2051	1,865,000	48,700	1,913,700
	$ 94,111,664	$ 33,035,560	$ 127,147,224

Note 3 - Detailed Notes on all Funds - Continued

f. Indebtedness - Continued

General Obligation Bonds - Continued

The City's general obligation bonds were issued at a premium, which is reported as a component of bonds payable in the government-wide statement of net position. Premiums on general obligation bonds are being amortized using the effective interest method over the life of the bonds. Bond premium amortization is reported as a component of interest expense.

Other liabilities include the following:

	January 1, 2023	Additions	Deletions	December 31, 2023
Governmental activities				
Sick time	$ 3,324,597	$ 537,035	$ 332,460	$ 3,529,172
Compensatory time	1,128,213	182,245	112,821	1,197,637
Total	$ 4,452,810	$ 719,280	$ 445,281	$ 4,726,809

Construction Loans

On January 10, 2017, the Authority entered into an agreement with The Adirondack Trust Company for a construction loan not to exceed $7,500,000 to finance a new parking facility at High Rock and Maple Avenues.

On July 30, 2019, the Authority modified its existing construction loan with The Adirondack Trust Company to include an additional loan of $2,500,000.

On July 30, 2019, the Authority entered into a second construction loan with The Adirondack Trust Company not to exceed $1,000,000.

The $7,500,000 construction loan bears interest at a rate of 3.73% until April 15, 2027. The $2,500,000 loan bears interest at a rate of 3.16% until April 15, 2027. Subsequent to April 15, 2027, the interest rate for the $7,500,000 and $2,500,000 construction loans will reset for five years and at each five-year anniversary thereafter, based on *The Wall Street Journal* prime lending rate plus 0.50%, divided by a conversion factor. The interest rate is subject to a floor of 2.81%. Collateral for the $7,500,000 and $2,500,000 construction loans includes a first leasehold mortgage and assignment of rents on the parking facility developed at High Rock and Maple Avenues.

The $1,000,000 construction loan requires a pledge of deposit with The Adirondack Trust Company of $300,000. The collateral will be released upon the Authority achieving a debt service coverage ratio of 1.10 for three consecutive years, as stipulated within the construction loan agreement. The $1,000,000 construction loan bears interest at a blended rate of 4.25% of the noncash-collateralized portion of the construction loan and 2.25% for the cash-collateralized portion of the construction loan. Upon the shorter of the release of the $300,000 collateral or five years, the interest rate will revert to a fixed 4.25% for a period of five years. The interest rate will then reset at each five-year anniversary thereafter, based on *The Wall Street Journal* prime lending rate plus 0.50%. The interest rate is subject to a floor of 4.50%. Collateral for the $1,000,000 loan includes a second leasehold mortgage and assignment of rents on the parking facility developed at High Rock and Maple Avenues.

Note 3 - Detailed Notes on all Funds - Continued

f. Indebtedness - Continued

Construction Loans - Continued

Both construction loans require the City Center to maintain an account at The Adirondack Trust Company into which 100% of the City's room occupancy tax receipts will be deposited quarterly. The City Center will have access to the remaining funds after each quarterly principal and interest payment is made in full. In addition, the City Center is required to pledge a debt service reserve account at The Adirondack Trust Company in the amount of $311,500. Both construction loans require the City to provide The Adirondack Trust Company with certain annual financial reporting requirements and require the City to maintain a depository relationship with The Adirondack Trust Company.

The parking facility was opened to customers and placed into service in November 2020.

At December 31, 2021, the City had drawn the entire amounts on each of the $7,500,000, $2,500,000 and $1,000,000 loans.

Payments on the loans commenced on January 15, 2022, with payments required quarterly on January 15, April 15, July 15 and October 15.

Estimated annual debt service requirements to maturity at the current interest rates on both construction loans are as follows:

	Principal	Interest	Total
Year ending December 31,			
2024	$ 308,471	$ 378,770	$ 687,241
2025	320,851	366,390	687,241
2026	332,643	354,598	687,241
2027	344,871	342,370	687,241
2028	356,638	330,603	687,241
2029 - 2033	1,994,034	1,442,181	3,436,215
2034 - 2038	2,389,851	1,046,364	3,436,215
2039 - 2043	2,864,904	571,311	3,436,215
2044 - 2046	1,501,220	77,351	1,578,571
	$ 10,413,483	$ 4,909,938	$ 15,323,421

Landfill Liability Post-Closure Maintenance

In 1996, the City closed its only landfill. In 2015, The New York State Department of Environmental Conservation notified the City that a 0.34-acre parcel of land adjacent to the landfill violated New York State waste disposal laws. The land was previously owned by the City, prior to a transfer of ownership in 2002.

At December 31, 2023, the costs associated with remediating the property are estimated to be $2,441,880. Actual costs could differ from those estimates.

Note 3 - Detailed Notes on all Funds - Continued

f. Indebtedness - Continued

Landfill Liability Post-Closure Maintenance - Continued

The City continues to negotiate with the current owner of the property over payment of the costs associated with remediating the property.

g. Pension Plans

Plan Description

The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are collectively referred to as the New York State and Local Retirement System (System). These are cost-sharing, multiple-employer retirement systems. The net position of the System is held in the New York State Common Retirement Fund (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 the Trustee of the Fund and is the administrative head of the System. The Comptroller of the State of New York is an elected official determined in a direct statewide election and serves a four-year term.

System benefits are established under the provisions 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 New York State statute.

The System is included in the State of New York's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The City also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance.

Plan Benefits

The System provides retirement benefits as well as death and disability benefits. Retirement benefits are established by the NYSRSSL and are dependent upon the point in time at which the employees last joined the System. The NYSRSSL has established distinct classes of membership. The System uses a tier concept within ERS and PFRS to distinguish these groups, as follows:

ERS

- Tier 1 - Those people who last became members before July 1, 1973.
- Tier 2 - Those people who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally, those people who are New York State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Plan Benefits - Continued

ERS - Continued

- Tier 4 - Generally, except for correction officers, those people who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those people who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those people who first became members on or after April 1, 2012.

PFRS

- Tier 1 - Those people who last became members before July 1, 1973.
- Tier 2 - Those people who last became members on or after July 1, 1973, but before July 1, 2009.
- Tier 3 - Those people who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 - Not applicable.
- Tier 5- Those people who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those people who first became members on or after April 1, 2012.

Generally, members of ERS and PFRS may retire at age 55; however, members of Tiers 2, 3, and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. A member with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need 10 years of service credit to be 100% vested. Subsequent to March 31, 2022, legislation was passed reducing the required years of service credit for full vesting to five years.

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Plan Benefits - Continued

Typically, the benefit for members in all Tiers within ERS and PFRS is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or Tier 2 member retirees with 20 or more years of service, the benefit is 2% of final average salary for each year of service. If a Tier 3, Tier 4, or Tier 5 member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a Tier 3, Tier 4, or Tier 5 member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20% of the previous year (Tier 1) or no more than 20% of the average of the previous two years (Tier 2). For Tier 3, Tier 4, and Tier 5 members, each year used in the final average salary calculation is limited to no more than 10% of the average of the previous two years. The benefit for Tier 6 members who retire with 20 years of service is 1.75% of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied to each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest consecutive years. Each year of final average salary is limited to no more than 10% of the average of the previous four years.

An automatic postemployment benefit is provided annually to pensioners who have reached age 62 and been retired for five years; pensioners who have reached age 55 and been retired for 10 years; all disability pensioners, regardless of age, who have been retired for five years; ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half of the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor Statistics but cannot be less than 1% or greater than 3%.

Funding Policy

Employee contribution requirements depend upon the point in time at which an employee last joined the System. Most Tier 1 and Tier 2 members of ERS and most members of PFRS are not required to make employee contributions. Employees in Tier 3, Tier 4, and Tier 5 are required to contribute 3% of their salary; however, as a result of Article 19 of the NYSRSSL, eligible Tier 3 and Tier 4 employees who have 10 or more years of membership or credited service within the System are not required to contribute. The Tier 6 contribution rate varies from 3% to 6% depending on salary. Tier 5 and Tier 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or make increased contributions beyond what was required when their memberships began.

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Funding Policy - Continued

Participating employers are required under the NYSRSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller of the State of New York. The average contribution rates for ERS and PFRS were approximately 11.6% and 27.0% of covered payroll, respectively, for the fiscal year ended March 31, 2023. Contributions made to the System for the current year and the two preceding years were as follows:

	ERS	PFRS	Total
Year ended December 31,			
2023	$ 1,678,002	$ 3,550,350	$ 5,228,352
2022	1,339,904	3,220,954	4,560,858
2021	1,836,292	3,131,417	4,967,709

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the City was charged to the governmental activities and discretely presented component unit as indicated below. The current PFRS contribution was charged to the General Fund.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the City reported a liability in the statement of net position related to ERS of $8,450,703 and $590,260 in the governmental activities and discretely presented component unit, respectively. At December 31, 2023, the City reported a liability related to PFRS of $19,805,485 in the governmental activities statement of net position. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2023, the City's proportion was 0.0421607% in ERS and 0.3594154% in PFRS.

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended December 31, 2023, the City recognized pension expense of $8,818,415 in the governmental activities and $202,161 in the discretely presented component unit. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
ERS		
Differences between expected and actual experience	$ 900,066	$ 237,327
Change in assumptions	4,104,207	45,359
Net differences between projected and actual investment earnings on pension plan investments	-	49,647
Changes in proportion and differences between employer contributions and proportionate share of contributions	62,820	229,040
City contributions subsequent to the measurement date	1,306,406	-
Total	$ 6,373,499	$ 561,373
PFRS		
Differences between expected and actual experience	$ 1,935,787	$ -
Change in assumptions	9,651,161	-
Net differences between projected and actual investment earnings on pension plan investments	35,013	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	492,996	1,723,108
City contributions subsequent to the measurement date	3,550,350	-
Total	$ 15,665,307	$ 1,723,108

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

	Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources
ERS		
Differences between expected and actual experience	$ 62,867	$ 16,577
Change in assumptions	286,668	3,168
Net differences between projected and actual investment earnings on pension plan investments	-	3,468
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,388	15,998
City contributions subsequent to the measurement date	33,498	-
Total	$ 387,421	$ 39,211

The amount of deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a component of the net pension liability in the year ending December 31, 2024. The remaining cumulative net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS		
	Governmental Activities	Component Unit	Total
Year ending December 31,			
2024	$ 1,044,791	$ 72,976	$ 1,117,767
2025	(513,262)	(35,850)	(549,112)
2026	1,665,648	116,341	1,781,989
2027	2,308,543	161,245	2,469,788
Total	$ 4,505,720	$ 314,712	$ 4,820,432

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

	PFRS Governmental Activities
Year ending December 31,	
2024	$ 1,809,955
2025	(754,458)
2026	5,627,814
2027	3,403,377
2028	305,161
Total	$ 10,391,849

Actuarial Assumptions

Actuarial cost method	Entry age normal
Inflation rate	2.7%
Salary scale	
ERS	4.4%, indexed by service
PFRS	6.2%, indexed by service
Investment rate of return, including inflation	5.9% compounded annually, net of expenses
Decrement	Based on FY 2016-2020 experience
Cost-of-living adjustments	1.4% annually
Mortality improvement	Society of Actuaries' Scale MP-2020

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

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

The long-term 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 each the target asset allocation percentage and adding expected inflation.

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Actuarial Assumptions - Continued

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/absolute return strategy	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

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 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.

Note 3 - Detailed Notes on all Funds - Continued

g. Pension Plans - Continued

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to the Discount Rate Assumption

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
ERS			
City's proportionate share of the net pension liability (asset)			
Component unit	$ 1,426,405	$ 590,260	$ (108,437)
Governmental activities	20,421,724	8,450,703	(1,552,478)
	$ 21,848,129	$ 9,040,963	$ (1,660,915)
PFRS			
City's proportionate share of the net pension liability (asset)			
Governmental activities	$ 41,285,460	$ 19,805,485	$ 2,018,775

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2023, were as follows (dollars in thousands):

	ERS	PFRS	Total
Employers' total pension liability	$ 232,627,259	$ 43,835,333	$ 276,462,592
Plan net position	(211,183,223)	(38,324,863)	(249,508,086)
Employers' net pension liability (asset)	$ 21,444,036	$ 5,510,470	$ 26,954,506
Ratio of fiduciary net position to total pension liability (asset)	90.78%	87.43%	90.25%

Note 4 - Postemployment Benefits Other Than Pensions

a. OPEB Plan Benefits

The City administers a single-employer defined benefit healthcare plan (OPEB plan). The OPEB plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the City and the seven unions representing City employees and are renegotiated at the end of each of the bargaining periods. The OPEB plan does not issue a publicly available financial report. The City offers four community-rated Health Maintenance Organizations and one experience-rated Traditional Preferred Provider Organization. Upon turning 65, a retiree may choose to participate in two Medicare Advantage plans.

The City also offers life insurance to active and retired firefighters and police officers who retired prior to January 1, 2007. The plan pays a beneficiary upon death of the retiree.

A summary of participants in the OPEB plan as of the January 1, 2023 actuarial measurement date is as follows:

Retirees and survivors	268
Actives	345
Total	613

Contribution requirements are negotiated between the City and union representatives. The City contributes a percentage of the cost of current-year premiums for eligible retired plan members and their spouses. The City is not required to fund the OPEB plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the year ended December 31, 2023, the City paid $3,279,196 and $4,373 on behalf of OPEB plan members within the governmental activities and discretely presented component unit, respectively. The OPEB plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the benefit plan. The City pays the full premium for the life insurance coverage.

Note 4 - Postemployment Benefits Other Than Pensions

b. OPEB Plan Liability, OPEB Plan Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plan

At December 31, 2023, the City reported a liability of $114,636,788 and $93,728 for its OPEB plan liability in the governmental activities and the discretely presented component unit, respectively. The OPEB plan liability was measured as of January 1, 2023 by an actuarial valuation as of that date. For the year ended December 31, 2023, the City recognized OPEB plan expense of $10,228,350 and $2,245 in the governmental activities and discretely presented component unit, respectively. A summary of changes in the City's OPEB plan liability is as follows:

	Governmental Activities	Component Unit	Total
January 1, 2023	$ 139,691,719	$ 111,179	$ 139,802,898
Charges for the year			
Service cost	7,235,426	-	7,235,426
Interest	2,992,924	2,245	2,995,169
Changes in assumptions and other inputs	(32,004,085)	(15,323)	(32,019,408)
Benefit payments	(3,279,196)	(4,373)	(3,283,569)
Net changes	(25,054,931)	(17,451)	(25,072,382)
December 31, 2023	$ 114,636,788	$ 93,728	$ 114,730,516

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,019,259	$ 11,200,283
Changes in assumptions or other inputs	17,852,588	37,254,958
City contributions subsequent to the measurement date	3,399,685	-
Total	$ 23,271,532	$ 48,455,241

Note 4 - Postemployment Benefits Other Than Pensions - Continued

b. OPEB Plan Liability, OPEB Plan Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plan - Continued

	Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,918	$ 8,804
Changes in assumptions or other inputs	4,962	15,511
City contributions subsequent to the measurement date	4,538	-
Total	$ 11,418	$ 24,315

The amount of deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the OPEB plan liability in the year ending December 31, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB plan expense as follows:

	Governmental Activities	Component Unit
Year ending December 31,		
2024	$ (4,387,559)	$ (2,673)
2025	(3,939,651)	(2,400)
2026	(2,783,259)	(1,696)
2027	(5,877,288)	(3,581)
2028	(5,674,831)	(3,457)
2029 and thereafter	(5,920,806)	(3,628)
Total	$ (28,583,394)	$ (17,435)

Note 4 - Postemployment Benefits Other Than Pensions - Continued

c. Actuarial Assumptions

The OPEB plan liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method	Entry age normal - level percent of pay
Measurement date	January 1, 2023
Discount rate	3.72%, Bond Buyer Weekly 20-Bond GO Index
Salary scale	3.00%
Rate of inflation	2.50%
Mortality	RPH-2021 Mortality Table
Turnover	New York State and Local Retirement System experience, as prepared by the Department of Civil Service's actuarial consultant in the report titled *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (August 2020)*
Retirement incidence	New York State and Local Retirement System experience, as prepared by the Department of Civil Service's actuarial consultant in the report titled *Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (August 2020)*
Marriage rate	70% of retirees assumed to be married at the time of retirement, with the male spouse assumed to be approximately three years older than the female

Health Care Cost Trend Rates	To Fiscal Year Ending	Pre-65 Trend	Post-65 Trend
	2024	6.50%	6.50%
	2025	6.00%	6.00%
	2026	5.20%	5.20%
	2027	5.16%	5.16%
	2032	4.97%	4.97%
	2037	4.97%	4.97%
	2042	4.78%	4.78%
	2052	4.62%	4.62%
	2062	4.53%	4.53%
	2072	4.15%	4.15%
	2082	3.94%	3.94%
	2092	3.94%	3.94%

Note 4 - Postemployment Benefits Other Than Pensions - Continued

d. Sensitivity of the Employer's Share of the OPEB Plan Liability to Changes in the Health Care Trend Rate and Discount Rate

The following presents the OPEB plan liability as of December 31, 2023, calculated using the current health care cost trend rate, as well as what the OPEB plan liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
OPEB plan liability			
Component unit	$ 77,391	$ 93,728	$ 115,427
Governmental activities	94,655,307	114,636,788	141,176,139
	$ 94,732,698	$ 114,730,516	$ 141,291,566

The following presents the OPEB plan liability as of December 31, 2023, calculated using the current discount rate of 3.72%, as well as what the OPEB plan liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (2.72%)	Current Rate (3.72%)	1% Increase (4.72%)
OPEB plan liability			
Component unit	$ 111,530	$ 93,728	$ 79,830
Governmental activities	136,410,063	114,636,788	97,638,067
	$ 136,521,593	$ 114,730,516	$ 97,717,897

Note 5 - Leases

a. Lessee Agreements

The City has certain lease agreements for machinery and equipment reported within the governmental activities and discretely presented component unit. A summary of future minimum principal and interest payments is as follows:

	Governmental Activities		Component Unit	
	Principal	Interest	Principal	Interest
Year ending December 31,				
2024	$ 32,487	$ 1,601	$ 3,378	$ 773
2025	31,501	1,048	3,622	529
2026	26,153	508	3,884	267
2027	1,039	4	1,693	31
Total	$ 91,180	$ 3,161	$ 12,577	$ 1,600

b. Lessor Agreements

The City has a lease agreement for certain property within the General Fund and the governmental activities. A summary of future minimum rental receivables and related interest under the lease agreement is as follows:

	Principal	Interest
Year ending December 31,		
2024	$ 494,409	$ 63,507
2025	501,232	57,220
2026	508,151	50,846
2027	516,554	44,385
2028	539,038	37,721
2029 - 2033	2,531,364	85,801
Total	$ 5,090,748	$ 339,480

Note 6 - Subscription-Based Information Technology Arrangements

The City has certain subscription-based information technology agreements for various information technology software agreements reported within the governmental activities. A summary of future minimum principal and interest payments is as follows:

	Governmental Activities	
	Principal	Interest
Year ending December 31,		
2024	$ 313,451	$ 55,042
2025	299,808	46,054
2026	214,932	37,665
2027	213,101	31,765
2028	219,263	25,803
2029 - 2032	703,024	40,071
Total	$ 1,963,579	$ 236,400

Note 7 - Tax Abatements

The City has six real property tax abatement agreements with housing development and redevelopment companies organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York (PHFL) for the purpose of creating or preserving affordable housing.

Generally, these agreements provide for a 100% abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on a percentage of shelter rents and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL.

Copies of the agreements may be obtained from the Commissioner of Finance, 474 Broadway, Saratoga Springs, New York 12866. Information relevant to disclosure of these agreements for the year ended December 31, 2023 is as follows:

Start Date	Agreement	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
5/21/1951	Saratoga Housing Authority	$ 22,104,300	6.62	$ 146,330	$ 46,201	$ 100,129
6/17/2003	11 Kirby Road - Kirby Village	2,761,800	6.55	18,090	4,811	13,279
8/17/2004	125 West Avenue - Westview Apartment	8,193,000	6.55	53,664	16,935	36,729
1/16/2007	Embury Apartments	16,326,800	6.62	108,083	-	108,083
7/29/2010	57 Ballston Avenue - Raymond Watkins	3,000,000	6.55	19,650	13,595	6,055
5/17/2016	9 Kirby Road - Kirby Village Apartments	3,223,400	6.55	21,113	4,454	16,659
6/18/2018	Intrada Apartments	12,090,000	6.55	79,190	19,477	59,713
11/6/2019	SRDI	1,161,342	6.55	7,607	-	7,607
10/1/2019	Promenade Apartments	2,000,000	6.62	13,240	4,566	8,674
		$ 70,860,642		$ 466,967	$ 110,039	$ 356,928

Note 8 - Commitments and Contingencies

a. 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 City expect such compliance to have, any material effect upon the capital expenditures or financial condition of the City. The City believes that its current practices and procedures for control and disposition of regulated waste comply with applicable federal, state, and local requirements.

b. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The General Fund, the Water Fund, the Sewer Fund, and the Authority pay insurance premiums.

The City's Safety Committee reviews potential areas of risk and develops safety policies. The Safety Committee reviews, among other things, workers' compensation trends to determine and prevent causation of similar claims in the future. The City belongs to the Saratoga County Workers' Compensation pool, and cases are reviewed and paid by Saratoga County. The City's 2023 annual contribution to the workers' compensation pool was $601,129.

c. Contingent Liabilities

The City is involved in certain suits and claims arising from a variety of sources. Provision has been made in accounts payable and other current liabilities in the government-wide statement of net position for claims the City has determined to be estimable and probable of settlement. It is the opinion of counsel and management that any remaining liabilities that may arise from such actions would be covered by the City's insurance carrier or would not result in losses that would materially affect the financial position of the City or the results of its operations.

d. Labor Relations

The City has employees covered by seven bargaining units. The contracts of each bargaining unit are currently being negotiated or expire during the year ending December 31, 2024.

Note 9 - Subsequent Events

In June 2024, the City issued $11,756,515 in Public Improvement Serial Bonds to finance various projects throughout the City. The Public Improvement Serial Bonds will be repaid annually starting in June 2025 through June 2052 at a rate of 4.00%.

Note 10 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements.* The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

Management has not estimated the extent of the potential impact of these statements on the City's financial statements.

City of Saratoga Springs, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended December 31, 2023			
	Budgeted Amounts		Actual Amounts	Variance with Revised - Positive (Negative)
	Adopted	Revised		
REVENUES				
Real property taxes and related tax items	$ 19,880,719	$ 21,898,131	$ 18,345,914	$ (3,552,217)
Non-property taxes	20,481,000	20,481,000	21,116,521	635,521
Departmental income	4,518,947	4,602,262	4,392,490	(209,772)
Intergovernmental charges	643,838	867,745	750,571	(117,174)
Use of money and property	764,504	775,004	820,808	45,804
Licenses and permits	816,025	859,325	579,682	(279,643)
Fines and forfeitures	653,000	653,000	609,066	(43,934)
Sale of property and compensation for loss	818,520	967,593	1,115,063	147,470
Miscellaneous	2,526,971	2,765,050	2,826,968	61,918
State aid	4,290,901	7,235,193	5,046,572	(2,188,621)
Federal aid	1,556,298	1,570,358	468,772	(1,101,586)
Total revenues	56,950,723	62,674,661	56,072,427	(6,602,234)
EXPENDITURES				
General government support	11,726,275	13,635,993	12,749,319	886,674
Public safety	32,599,726	33,563,370	33,990,324	(426,954)
Health	150,015	150,574	465,519	(314,945)
Transportation	5,717,782	12,834,748	5,932,135	6,902,613
Economic opportunity and development	478,364	949,108	702,589	246,519
Culture and recreation	3,712,334	4,250,180	3,360,021	890,159
Home and community service	2,279,936	2,296,077	1,648,106	647,971
Debt service	342,291	87,292	725,469	(638,177)
Total expenditures	57,006,723	67,767,342	59,573,482	8,193,860
OTHER FINANCING SOURCES (USES)				
Proceeds from subscription-based IT arrangements	-	-	2,590,235	2,590,235
Interfund transfers in	56,000	56,000	52,275	(3,725)
Interfund transfers out	-	-	(55,466)	(55,466)
Total other financing sources (uses)	56,000	56,000	2,587,044	2,531,044
Net change in fund balance (actual) and appropriated fund balance (budget)	**-**	**(5,036,681)**	**(914,011)**	**$ 4,122,670**
FUND BALANCE, *beginning of year*	28,463,429	28,463,429	28,463,429	
FUND BALANCE, *end of year*	**$ 28,463,429**	**$ 23,426,748**	**$ 27,549,418**	

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund

	Year Ended December 31, 2023			
	Budgeted Amounts		Actual Amounts	Variance with Revised - Positive (Negative)
	Adopted	Revised		
REVENUES				
Water charges	$ 4,634,692	$ 4,634,692	$ 4,139,195	$ (495,497)
Use of money and property	1,000	1,000	157	(843)
Sale of property and compensation for loss	-	-	65,608	65,608
Miscellaneous	250	1,471	1,471	-
Total revenues	4,635,942	4,637,163	4,206,431	(430,732)
EXPENDITURES				
Home and community service	3,498,231	3,499,452	3,301,827	197,625
Debt service	1,137,711	1,137,711	1,181,196	(43,485)
Total expenditures	4,635,942	4,637,163	4,483,023	154,140
OTHER FINANCING SOURCES				
Bond proceeds	-	-	1,500,000	1,500,000
Interfund transfers in	-	-	362,648	362,648
Total other financing sources	-	-	1,862,648	1,862,648
Net change in fund balance (actual) and appropriated fund balance (budget)	**-**	**-**	**1,586,056**	**$ 1,586,056**
FUND BALANCE, *beginning of year*	4,270,072	4,270,072	4,270,072	
FUND BALANCE, *end of year*	**$ 4,270,072**	**$ 4,270,072**	**$ 5,856,128**	

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Fund

	Year Ended December 31, 2023			
	Budgeted Amounts		Actual Amounts	Variance with Revised - Positive (Negative)
	Adopted	Revised		
REVENUES				
Sewer charges	$ 6,094,602	$ 6,094,601	$ 5,360,402	$ (734,199)
Use of money and property	500	500	30,590	30,090
Sale of property and compensation for loss	-	-	30,949	30,949
Miscellaneous	175	3,689	3,514	(175)
Total revenues	6,095,277	6,098,790	5,425,455	(673,335)
EXPENDITURES				
Home and community service	5,892,685	5,889,919	5,670,830	219,089
Debt service	202,592	208,871	240,438	(31,567)
Total expenditures	6,095,277	6,098,790	5,911,268	187,522
OTHER FINANCING USES				
Interfund transfers out	-	-	(379,993)	(379,993)
Net change in fund balance (actual) and appropriated fund balance (budget)	**-**	**-**	**(865,806)**	**$ (865,806)**
FUND BALANCE, *beginning of year*	955,925	955,925	955,925	
FUND BALANCE, *end of year*	**$ 955,925**	**$ 955,925**	**$ 90,119**	

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

	2023	2022	2021	2020	2019	2018
GOVERNMENTAL ACTIVITIES						
Beginning of year	$ 139,691,719	$ 142,354,622	$ 136,455,390	$ 111,805,930	$ 118,745,224	$ 114,262,135
Charges for the year						
Service cost	7,235,426	6,852,127	6,387,932	4,072,547	4,992,628	4,477,096
Interest	2,992,924	3,130,871	3,871,630	4,689,925	4,204,758	4,434,331
Change in benefit terms	-	(62,406)	-	(5,994,260)	-	-
Difference in expected and actual experience	-	(2,384,276)	(16,883,704)	3,107,162	-	5,715,871
Changes in assumptions and other inputs	(32,004,085)	(7,150,879)	15,609,268	21,754,192	(13,119,258)	(7,286,433)
Benefit payments	(3,279,196)	(3,048,340)	(3,085,894)	(2,980,106)	(3,017,422)	(2,857,776)
Net changes	(25,054,931)	(2,662,903)	5,899,232	24,649,460	(6,939,294)	4,483,089
End of year	$ 114,636,788	$ 139,691,719	$ 142,354,622	$ 136,455,390	$ 111,805,930	$ 118,745,224
Covered payroll	$ 33,349,389	$ 28,649,329	$ 27,814,883	$ 30,129,800	$ 29,169,783	$ 26,441,060
OPEB liability as a percentage of covered payroll	343.75%	487.60%	511.80%	452.90%	383.30%	449.08%
COMPONENT UNIT						
Beginning of year	$ 111,179	$ 111,635	$ 125,040	$ 111,834	$ 121,004	$ 116,436
Charges for the year						
Service cost	-	-	-	-	4,994	4,562
Interest	2,245	2,324	3,363	4,490	4,206	4,519
Difference in expected and actual experience	-	(1,898)	(13,240)	2,847	-	5,825
Changes in assumptions and other inputs	(15,323)	3,151	1,053	10,480	(15,352)	(7,425)
Benefit payments	(4,373)	(4,033)	(4,581)	(4,611)	(3,018)	(2,913)
Net changes	(17,451)	(456)	(13,405)	13,206	(9,170)	4,568
End of year	$ 93,728	$ 111,179	$ 111,635	$ 125,040	$ 111,834	$ 121,004
Covered payroll	$ 27,267	$ 22,801	$ 21,812	$ 27,609	$ 29,177	$ 26,945
OPEB liability as a percentage of covered payroll	343.74%	487.61%	511.81%	452.90%	383.30%	449.08%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability/Asset

	2023	2022	2021	2020	2019	2018	2017	2016	2015
ERS									
City's proportion of the net pension liability (asset)	0.0421607%	0.0406900%	0.0445037%	0.0445009%	0.0441821%	0.0441450%	0.0430345%	0.0448128%	0.0414829%
City's proportionate share of the net pension liability (asset)	$ 9,040,963	$ (3,326,241)	$ 44,314	$11,784,096	$ 3,130,439	$ 1,424,756	$ 4,043,615	$ 7,192,574	$ 1,401,392
City's covered-employee payroll	$13,843,984	$12,539,339	$12,053,395	$13,091,656	$12,572,189	$12,246,803	$11,900,452	$ 11,088,897	$ 11,068,113
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	65.31%	-26.53%	0.37%	90.01%	24.90%	11.63%	33.98%	64.86%	12.66%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
PFRS									
City's proportion of the net pension liability	0.359415%	0.339402%	0.357258%	0.337914%	0.344726%	0.340771%	0.346204%	0.334572%	0.3247468%
City's proportionate share of the net pension liability	$19,805,485	$ 1,927,955	$ 6,202,976	$18,061,270	$ 5,781,277	$ 3,444,365	$ 7,175,602	$ 9,905,974	$ 893,897
City's covered-employee payroll	$13,410,132	$12,472,454	$11,658,917	$12,120,245	$11,609,770	$11,131,471	$11,245,023	$ 10,699,616	$ 9,655,380
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	147.69%	15.46%	53.20%	149.02%	49.80%	30.94%	63.81%	92.58%	9.26%
Plan fiduciary net position as a percentage of the total pension liability	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%	99.00%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Saratoga Springs, New York

Required Supplementary Information
Schedule of Pension Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ERS										
Contractually required contribution	$ 1,678,002	$ 1,339,904	$ 1,836,292	$ 1,788,958	$ 1,736,306	$ 1,712,380	$ 1,722,111	$ 1,644,685	$ 2,154,563	$ 1,956,585
Contributions in relation to the contractually required contribution	$ 1,678,002	$ 1,339,904	$ 1,836,292	$ 1,788,958	$ 1,736,306	$ 1,712,380	$ 1,722,111	$ 1,644,685	$ 2,154,563	$ 1,956,585
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 13,843,984	$ 12,539,339	$ 12,053,395	$ 13,091,656	$ 12,572,189	$ 12,246,803	$ 11,900,452	$ 11,088,897	$ 11,068,113	$ 10,187,493
Contributions as a percentage of covered-employee payroll	12.12%	10.69%	15.23%	13.66%	13.81%	13.98%	14.47%	14.83%	19.47%	19.21%
PFRS										
Contractually required contribution	$ 3,550,350	$ 3,220,954	$ 3,131,417	$ 2,819,647	$ 2,590,405	$ 2,490,280	$ 2,627,560	$ 2,960,169	$ 2,668,289	$ 3,163,809
Contributions in relation to the contractually required contribution	$ 3,550,350	$ 3,220,954	$ 3,131,417	$ 2,819,647	$ 2,590,405	$ 2,490,280	$ 2,627,560	$ 2,960,169	$ 2,668,289	$ 3,163,809
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 13,410,132	$ 12,472,454	$ 11,658,917	$ 12,120,245	$ 11,609,770	$ 11,131,471	$ 11,245,023	$ 10,699,616	$ 9,655,380	$ 9,978,301
Contributions as a percentage of covered-employee payroll	26.48%	25.82%	26.86%	23.26%	22.31%	22.37%	23.37%	27.67%	27.64%	31.71%

See Independent Auditor's Report.

City of Saratoga Springs, New York

Supplementary Information
December 31, 2023

Combining Non-Major Governmental Funds

The City maintains four special revenue funds that are not considered major governmental funds. These non-major special revenue funds include the following:

- Downtown Special Assessment District was created to make improvements in the boundaries of the district and is funded through a special assessment on the property owners in the district.

- West Avenue Special Assessment District was created to make improvements in the boundaries of the district and is funded through a special assessment on the property owners in the district.

- Community Development is used to account for federally funded community development block grants, revolving loan funds and other federally funded programs.

- Debt Service accounts for the resources accumulated, and payments made, for principal and interest on long-term general obligation debt of governmental funds.

The following are financial statements for these non-major governmental funds:

See Independent Auditor's Report.

City of Saratoga Springs, New York

Supplementary Information - Combining Balance Sheet - Non-Major Governmental Funds

	December 31, 2023				
	Downtown Special Assessment District	West Avenue Special Assessment District	Community Development	Debt Service	Total
ASSETS					
Cash and cash equivalents	$ 801,142	$ 7,776	$ 2,881	$ 916,527	$ 1,728,326
Cash and cash equivalents, restricted	1,982	-	125,219	562,186	689,387
Receivables, net	-	-	32,606	-	32,606
Receivables from other governments	-	-	46,479	-	46,479
Total assets	**$ 803,124**	**$ 7,776**	**$ 207,185**	**$ 1,478,713**	**$ 2,496,798**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	$ 1,000	$ -	$ 32,223	$ -	$ 33,223
Due to other governments	-	-	2,881	-	2,881
Due to other funds	13,000	-	14,257	917,068	944,325
	14,000	-	49,361	917,068	980,429
Deferred inflows of resources					
Other unavailable resources	-	-	32,606	-	32,606
Total liabilities and deferred inflows of resources	14,000	-	81,967	917,068	1,013,035
Fund balances					
Restricted	1,982	-	125,218	561,645	688,845
Assigned	787,142	7,776	-	-	794,918
Total fund balances	789,124	7,776	125,218	561,645	1,483,763
Total liabilities, deferred inflows of resources and fund balances	**$ 803,124**	**$ 7,776**	**$ 207,185**	**$ 1,478,713**	**$ 2,496,798**

See Independent Auditor's Report.

City of Saratoga Springs, New York

Supplementary Information - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended December 31, 2023				
	Downtown Special Assessment District	West Avenue Special Assessment District	Community Development	Debt Service	Total
REVENUES					
Departmental income	$ -	$ -	$ 15,749	$ -	$ 15,749
Real property taxes and related tax items	134,790	51,004	-	4,563,324	4,749,118
Federal aid	-	-	445,631	-	445,631
Use of money and property	11,529	13	38	62,199	73,779
Miscellaneous	-	-	-	39,869	39,869
Total revenues	146,319	51,017	461,418	4,665,392	5,324,146
EXPENDITURES					
Other general governmental support	-	1,574	-	44,056	45,630
Home and community services	-	-	454,317	-	454,317
Economic opportunity and development	60,375	-	-	-	60,375
Debt service					
Principal	12,790	-	-	3,062,441	3,075,231
Interest	11,494	-	-	2,384,084	2,395,578
Total expenditures	84,659	1,574	454,317	5,490,581	6,031,131
Excess (deficiency) of revenues over expenditures	61,660	49,443	7,101	(825,189)	(706,985)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	-	-	56,548	56,548
Interfund transfers out	-	(49,503)	(52,275)	-	(101,778)
Total other financing sources (uses)	-	(49,503)	(52,275)	56,548	(45,230)
Net change in fund balances	**61,660**	**(60)**	**(45,174)**	**(768,641)**	**(752,215)**
FUND BALANCES, *beginning of year*	727,464	7,836	170,392	1,330,286	2,235,978
FUND BALANCES, *end of year*	**$ 789,124**	**$ 7,776**	**$ 125,218**	**$ 561,645**	**$ 1,483,763**

See Independent Auditor's Report.