

ANNUAL COMPREHENSIVE FINANCIAL REPORT



CITY OF SARATOGA SPRINGS, UTAH
FISCAL YEAR ENDED JUNE 30, 2023

CITY OF SARATOGA SPRINGS, UTAH

**ANNUAL COMPREHENSIVE FINANCIAL
REPORT**

**(INCLUDING INTERNAL CONTROL, AND COMPLIANCE REPORTS AND
SUPPLEMENTARY INFORMATION)**

FOR FISCAL YEAR ENDED JUNE 30, 2023

**PREPARED BY:
FINANCE DEPARTMENT**



THE CITY OF SARATOGA SPRINGS
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INTRODUCTORY SECTION



SARATOGA SPRINGS

Life's just better here

December 5, 2023

To the Honorable City Council, Honorable Mayor, and Citizens of the City of Saratoga Springs, Utah:

These financial statements have been prepared by the City of Saratoga Springs Finance Department in accordance with accounting principles generally accepted in the United States (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). Utah State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report fulfills that requirement for the fiscal year ended June 30, 2023.

The City's management is responsible for the accuracy of the report, as well as the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the report is complete and accurate in all material respects. To provide a basis for management to make these representations, the City maintains a comprehensive system of internal controls designed to provide reasonable, but not absolute, assurance against loss of assets or material misstatement in the financial statements. This level of assurance is an inherent limitation in a system of internal controls. They should be cost-effective, with cost of such controls not exceeding the related benefit.

Gilbert & Stewart, a firm of licensed certified public accountants, has audited the basic financial statements contained in this report. With this type of audit, the independent auditors render an opinion, with reasonable assurance, as to whether the basic financial statements for the fiscal year ended June 30, 2023, are fairly presented and free of any material misstatement. Audit procedures included extensive testing and analysis of transactions, balances, and systems. The unmodified ("clean") opinion on the basic financial statements signed by Gilbert & Stewart is located at the beginning of the financial section.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

CITY PROFILE

The City of Saratoga Springs is a municipality governed by a six member legislative body consisting of an elected Mayor and five-member Council. The City was incorporated in 1997 and operates under a Council-Manager form of government established by ordinance. Policy-making and legislative authority are vested in the City Council.

The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager, among other things. The City's manager is responsible for carrying out the policies and ordinances of the legislative body, for overseeing the day-to-day operations for the City, and for appointing heads of the various departments. The Council and Mayor are elected on a non-partisan basis. Council members and the Mayor serve four-year staggered terms.

The City provides many municipal services including police, fire and medical response, parks, recreation, library, water, sewer, garbage, public improvements, streets, planning, zoning, passports and administrative services. This report includes the financial statements of the funds required to report those activities, organizations and functions which are related to the City and are controlled by or financially accountable to the City Council.

BUDGETARY CONTROL

The City Council is required to adopt a final budget no later than June 22 of the fiscal year. The annual budget serves as the foundation of the City's financial planning and control. Budgets are prepared for all governmental fund types including the general fund, capital improvement funds, and debt service funds. The City Council approves all City budgets at the department level (general government, public safety, highways and public improvements, parks and recreation). Budgetary control is maintained at the department level where expenditures may not legally exceed appropriations. Department heads may make transfers within a department. The City Council may amend the budget by ordinance during the budget year but must hold a public hearing after appropriate public notice to increase governmental fund's budget before it can adopt the ordinance.

LOCAL ECONOMY AND TRENDS

The City of Saratoga Springs is located in Utah County, Utah, on the northwest shores of Utah Lake in the center of Utah's Wasatch Front Metropolitan Area. The City is 20 miles south of Salt Lake City and 30 minutes by freeway from the Salt Lake International Airport. It is an exciting pro-development community which boasts a high quality of life that includes beautiful lakeshore living, great air quality, superb views and an excellent central location between the Provo/Orem and Salt Lake City metro areas.

The City's population (2020 Census Estimate) of 44,164 residents is a suburban population that works along the Wasatch Front but desires a quiet suburban area in which to live. The City is among the top ten highest growth cities in Utah. As a region, the northern Utah County area has also experienced rapid development and growth in recent years. The physical infrastructure to continue rapid residential growth is in place and regular planning ensures that transportation expansions map to population growth rates.

Land developed in the City has taken the form of large "master planned" communities with progressive land-use and zoning practices which have resulted in quality and diverse housing styles. Since the incorporation of the city, several ordinances have been adopted and a land development code has been created that encourages planned developments, clustering of residential units, preservation of open space, creation of parks and trail systems, and the maximization of views along Utah Lake shore.

LONG-TERM FINANCIAL PLANNING

Revenue Forecasting

The City has endorsed the recommended practices issued by the *National Advisory Council on State and Local Budgeting* addressing budgeting and financial planning, specifically the six revenue forecasting practices.

- Multi-year revenue/resource projections
- Maintaining an in-depth understanding of revenues/resources
- Assessing the effects of potential changes to revenue source rates and bases
- Periodically estimating the impact and potential foregone revenue/resources as a result of policies that exempt from payment, provide discounts and credits, or otherwise favor a particular category of taxpayers or service users
- Developing a process for achieving consensus on the forecast of revenues used to

- estimate available resources for a budget
- Preparing and maintaining a revenue manual that documents revenue sources and factors relevant to present and projected future levels of those revenues

Forecasting Methodology

The City uses *qualitative* and *quantitative* approaches to forecasting revenues that include, but are not limited to:

- Trend Analysis
- Economic Reviews and Publications
- Departmental Surveys
- National, State, and Local Policy Changes
- Comparing Revenue Collections against Projections
- Consensus, Expert, and Judgmental Forecasting

Both forecasting methods include global, national, state, and local analysis that may affect revenues and financial planning.

Relevant Financial Policies

The City of Saratoga Springs recognizes its duty to its citizens and other interested parties to account for public funds and resources. The Policies and Objectives hereinafter are set forth to establish guidelines for fiscal accountability, full disclosure, and planning. These financial management policies provide a basic framework for the overall fiscal management of the City. These policies represent a foundation to address changing circumstances and conditions, and to assist in the decision making process. In addition, these policies represent guidelines for evaluating both current and future activities.

The financial policies represent long-standing principles and practices that have enabled the City to maintain financial stability. The policies are reviewed annually to represent current public policy decisions. The Council as part of the budget process adopts these policies annually.

MAJOR INITIATIVES

City Council Long-term Strategic Goals

- Create a sense of community
- Preserve natural beauty and community aesthetics
- Foster high quality, long-term planning, growth and development
- Create a healthy and safe community
- Transportation Planning
- Maintain fiscal sustainability and responsibility

Update on Major Projects

Project	Estimated Cost	Description
Foothill Extension	\$12.5 million	Provide connectivity from Pony Express to Lariat Blvd, construction in progress.
Pony Express Extension	\$5.4 million	Provide connectivity from Redwood Rd to Saratoga Rd.
Foothill WL Pony to Beacon	\$3.5 million	Culinary Water line expansion.
Zone 2 South Pond	\$3.1 million	Secondary water ponds, construction in progress.

Grandview to Ring Road Sewer Line	\$2.6 million	Sewer Line extension, construction in progress.
Zone 2 North Pond	\$2.4 million	Secondary water ponds.
Beach at South Marina	\$2.2 million	Develop amenities at the South Marina, construction in progress.

Awards and Acknowledgements

The City of Saratoga Springs received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the City's adopted budget beginning for the periods beginning July 1, 2011-2023. In order to qualify for the award program, the City's budget document was judged proficient in several categories including policy documentation, financial planning, and organization.

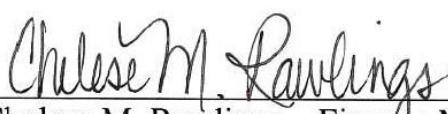
The City of Saratoga Springs received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for years 2012-2022. In order to qualify for the award, the staff must prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the Administration and Finance Departments. We would like to express our appreciation to Gilbert & Stewart, certified public accountants, for their professional service and assistance. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,



Mark Christensen – City Manager



Chelese M. Rawlings – Finance Manager

CITY OF SARATOGA SPRINGS
1307 N. Commerce Drive
Saratoga Springs, Utah 84045
801-766-9793

MAYOR AND CITY COUNCIL AS OF JUNE 30, 2023

Mayor Jim Miller

Email: jmiller@saratogaspringscity.com

Term: 01/2022 - 01/2026

Council Member Michael McOmber

Email: mmcomber@saratogaspringscity.com

Term: 01/2022 - 01/2026

Council Member Stephen Willden

Email: swillden@saratogaspringscity.com

Term: 01/2022 - 01/2026

Council Member Ryan Poduska

Email: rpoduska@saratogaspringscity.com

Term: 01/2020 - 01/2024

Council Member Christopher Carn

Email: CCarn@saratogaspringscity.com

Term: 01/2020 - 01/2024

Council Member Christopher Porter

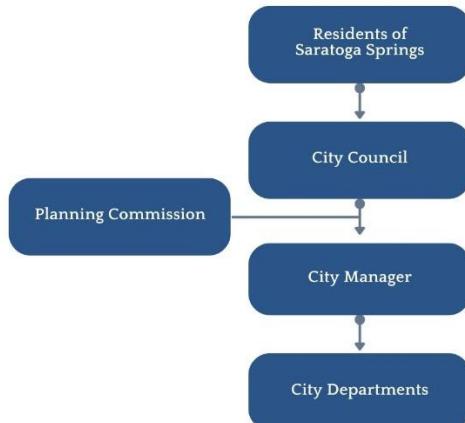
Email: cporter@saratogaspringscity.com

Term: 01/2020 - 01/2024

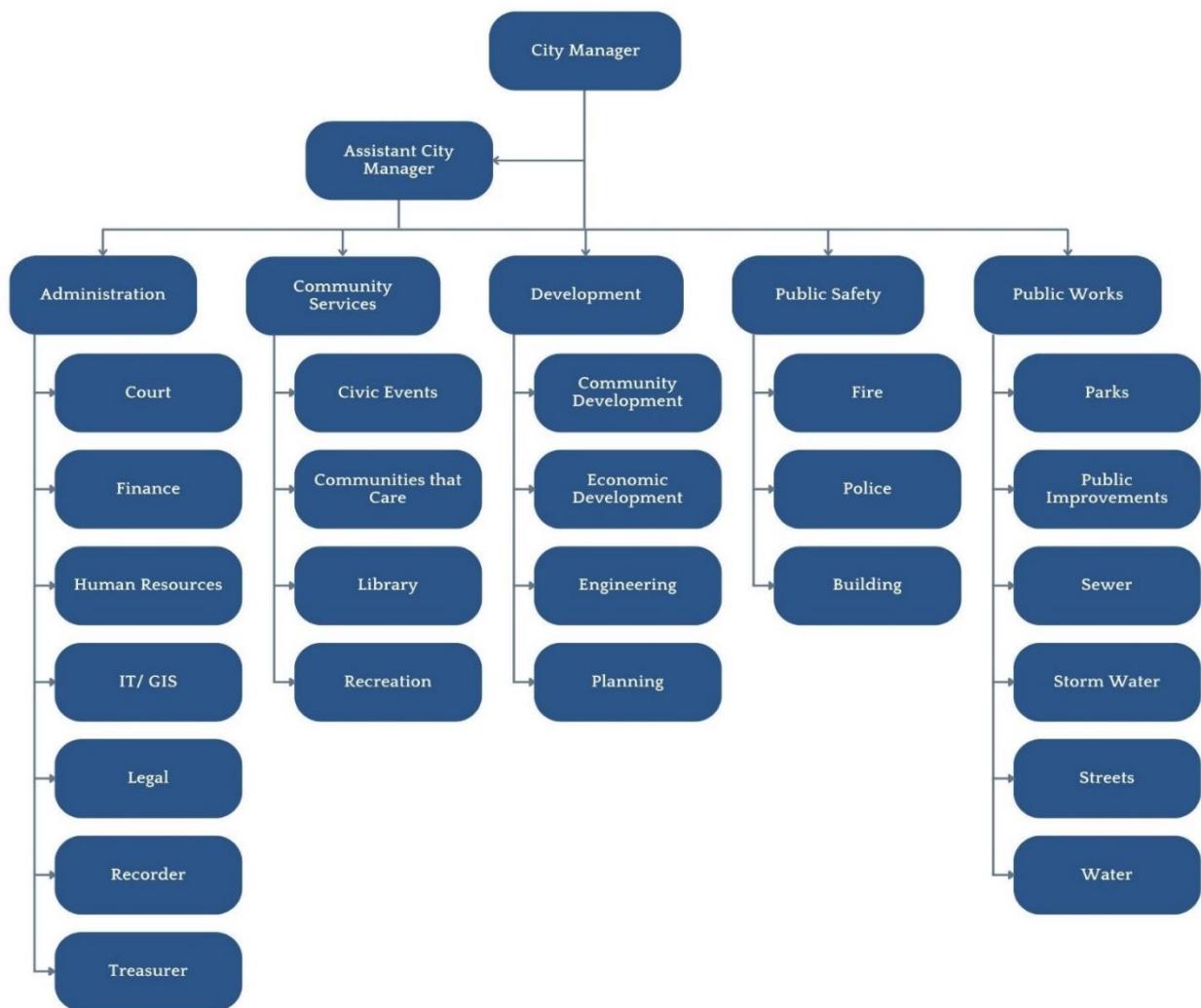
CITY OF SARATOGA SPRINGS, UTAH

ORGANIZATIONAL CHARTS FY2023

OVERALL CITY STRUCTURE



CITY DEPARTMENTS





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Saratoga Springs
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Saratoga Springs
Saratoga Springs, Utah

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Saratoga Springs, Utah (the City), as of and for the year ended June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Saratoga Springs, as of June 30, 2023 and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of Saratoga Springs and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 of Saratoga Springs' 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 responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Saratoga Springs'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 Saratoga Springs's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 statements and budgetary comparisons, as listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and budgetary comparisons are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023 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 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 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.

Gilbert & Stewart

GILBERT & STEWART, CPA PC

Provo, Utah

November 20, 2023

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

The following narrative is presented to facilitate a better understanding of the City's financial position and results of operations for the year ended June 30, 2023. When read in conjunction with the letter of transmittal and the notes to the financial statements, the financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The City's government-wide net position as of June 30, 2023, were \$448,510,109. Of this amount, \$65,677,333 (unrestricted net position) is available to meet ongoing financial obligations. Deferred outflows of resources was \$3,337,720 and deferred inflows of resources was \$5,183,206 as of June 30, 2023.
- The City's government-wide net position increased by \$49,897,417. Of this amount, business-type activities increased by \$26,666,169 an 11.8 percent increase, and the governmental activities increased by \$23,231,248 an increase of 13.4 percent when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$32,494,550 an increase of \$347,282 (1.1 Percent) compared to the beginning of this year's fund balance amount. The increase in fund balance in comparison to last fiscal year is attributable to a slight increase in fund balances due to expenditures for capital projects and unassigned. Of the combined total fund balance, \$12,423,269 is available for spending at the discretion of the City (unassigned fund balance).
- The General Fund is the primary operating fund of the City. The unassigned fund balance of the General Fund at June 30, 2023, totaled \$12,423,269 and is 53.5 percent of the General Fund total revenues for the year and 38.2 percent of total governmental fund balance.
- The City's total debt had a net decrease of \$963,149 during fiscal year 2023. This represents a 2.4 percent decrease over the prior year, this is a result from required debt service payments and the addition of a capital lease.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report includes four parts: 1) the independent auditors' report on financial statements and supplementary information; 2) this segment, management's discussion and analysis; 3) the basic financial statements; and 4) supplementary information. Within the basic financial statements are two distinct types of financial statements, 1) the government-wide financial statements, and 2) the fund financial statements. The notes to the financial statements are also an integral part of the basic financial statements. The City's basic financial statements are presented in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended.

Immediately following the notes to the financial statements, the supplementary information includes balance sheets and income statements for non-major governmental funds, as well as other budgetary information.

Government-wide Financial Statements: The government-wide financial statements provide a view of City finances as a whole, similar to a private-sector business. These statements include the Statement of Net position and the Statement of Activities.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

The **Statement of Net Position** includes all of the City's assets and liabilities, and the resulting difference between the assets and liabilities, or net position. Net position (and the related change in net position from year to year) are probably the most important financial measurement to enable an understanding of the financial position of the City, and whether financial position improves or deteriorates each year. To assess the overall health of the City, additional non-financial factors, such as changes in the property tax base, the condition of the City's infrastructure, etc. should be considered.

The **Statement of Activities** shows how the City's net position changed as a result of its operations during the most recent fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, most revenues are reported when the revenues are legally due, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until sometime later.

There are two distinct types of activities reflected in the government-wide statements: governmental activities and business-type activities. Governmental activities are those supported primarily by taxes and intergovernmental revenues, while business-type activities are those in which all costs (or at least a significant portion of costs) are intended to be recovered through user fees and charges. The governmental activities for the City of Saratoga Springs included General Government (Legislative, Administrative, Utility Billing, Treasurer, Recorder, Attorney, Justice Court, Non-Departmental, Buildings and Grounds, Elections, and Planning and Zoning); Public Safety (Communications, Police, and Fire, Building Inspection); Public Works (Building Inspection, Streets, Engineering, Public Improvements and GIS); and Recreation (parks & open spaces, recreation, library, and civic events). The business-type activities include Water, Sewer, Storm Drain, and Garbage.

Fund Financial Statements: The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based on the purposes for which the funds are to be spent as well as how the activities are to be controlled. The two broad categories of funds are: governmental funds and proprietary funds.

Governmental Funds – At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliations, between the two types of statements is necessary to understand how the numbers differ. Such reconciliations are provided for the reader on pages 31 and 33. The city has three governmental type funds. These are the general fund, the internal service fund and the capital projects funds. Two of these are considered major funds: The basic governmental fund financial statements can be found on pages 28-31 of this report.

- The **General Fund** is used to account for all financial resources of the City that are not accounted for by a specialized fund. More specifically, the general fund is used to account for ordinary operations such as collection of tax revenues and general government expenditures. The City adopts an annual appropriation budget for the general fund. On page 34, a budgetary comparison statement has been provided for the general fund to demonstrate budgetary compliance.
- **Internal Service Fund** is used to account for the central financing of goods or services provided to various departments of the City or other governments on a cost-reimbursement basis. The City currently has one internal service fund. The Street Lighting Fund provides storage, repair, and maintenance.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

- ***Capital Projects Funds*** are used to account for financial resources to be used for the acquisition or construction of major capital improvements. These funds do not account for capital improvements financed by the proprietary funds.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The only proprietary fund type used by the City is enterprise funds. The basic proprietary fund financial statements can be found on pages 35-37 of this report.

- ***Enterprise Funds*** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City currently operates enterprise funds for the City-owned water system, sewer system, storm drain and garbage.

Notes to the financial statements contain additional information important to a complete understanding of the information contained in the government-wide and fund financial statements. Notes to the financial statements are located after the basic financial statements as listed in the table of contents.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

FINANCIAL ANALYSIS OF THE CITY AS A – WHOLE

Net position – The following table presents summary information for the Statement of net position for the years ended June 30, 2023 and 2022.

City of Saratoga Springs
Comparative Summary of Net position
(in millions of dollars)

	Governmental		Business-Type		Total		Total %	
	Activities		Activities		Total			
	2023	2022	2023	2022	2023	2022		
Current and other assets	\$ 63.4	\$ 63.7	\$ 40.6	\$ 37.6	\$ 104.1	\$ 101.3	2.7%	
Capital assets	172.9	151.2	241.3	222.2	414.1	373.4	10.9%	
Deferred Outflow of Resources	3.1	2.3	0.2	0.3	3.3	2.7	22.2%	
Total Assets and Deferred Outflow of resources	\$ 239.4	\$ 217.3	\$ 282.1	\$ 260.1	\$ 521.6	\$ 477.4	9.3%	
Long-Term liabilities	13.0	11.7	25.5	27.8	38.5	39.5	-2.5%	
Other liabilities	24.9	22.4	4.4	6.3	29.4	28.7	2.4%	
Total liabilities	37.9	34.1	29.9	34.1	67.9	68.1	-0.3%	
Deferred Inflows of Resources	5.1	10.1	0.009	0.5	5.1	10.6	-51.9%	
Net Position								
Net investment								
In capital assets	161.9	140.4	215.6	194.5	377.6	334.9	12.8%	
Restricted – Impact Fees	2.7	-	2.3	9.3	5.1	9.3	-45.2%	
Unrestricted	31.5	32.4	34.1	21.8	65.6	54.2	21.0%	
Total net Position	196.3	173.1	252.1	225.5	448.5	398.6	12.5%	
Total liabilities, deferred inflows of resources and net position	\$ 239.4	\$ 217.3	\$ 282.1	\$ 260.1	\$ 521.6	\$ 477.4	9.3%	

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

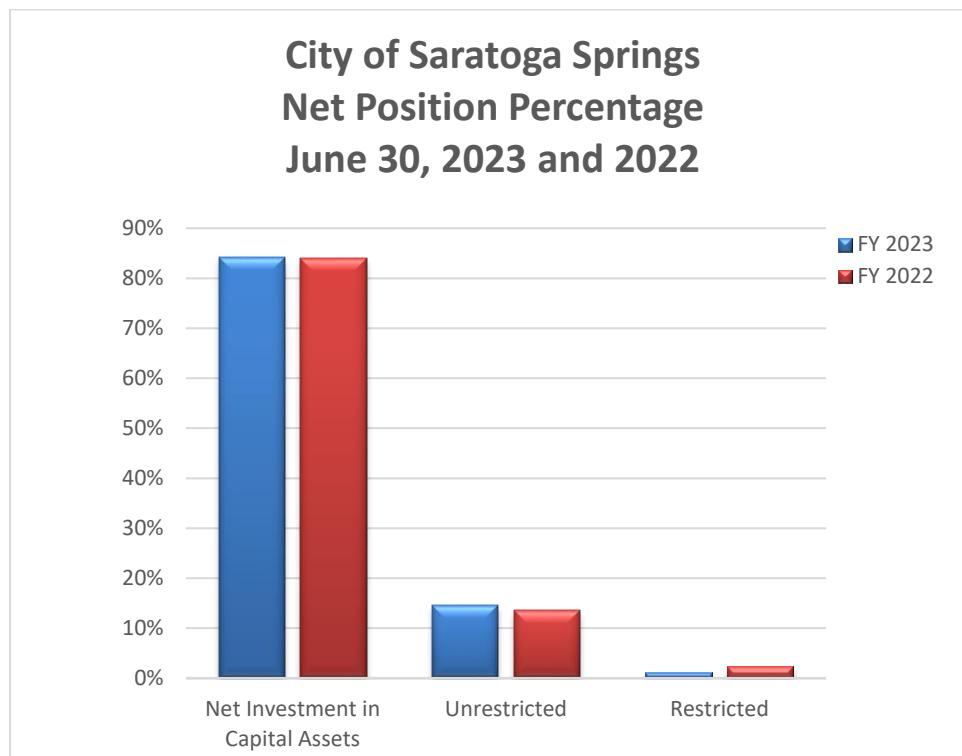
At June 30, 2023, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by approximately \$448.5 million (net position) compared to \$398.6 million at June 30, 2022. This would indicate an improved financial position in comparison to last fiscal year. Roughly 84.2 percent at June 30, 2023, and 84.1 percent at June 30, 2022 of these amounts are represented by the investment in capital assets, net of debt still outstanding relating to the acquisition of those assets. Due to the nature of long-term assets (not easily convertible to liquid assets) they are not considered to be available for spending or appropriation. Further, even though the presentation here shows net investment in capital assets, it should be understood that the repayment of this debt does not come from the capital assets themselves, but comes from other resources. The increase in the City's net investment in capital assets of \$42.7 million was due to developer capital contributions, routine acquisitions of capital assets, repayments of related debt, and depreciation expense.

The other sub-classification of net position is unrestricted. The balance of \$65.6 million at June 30, 2023 and \$54.2 million at June 30, 2022, which is unrestricted, indicates that this amount may be used to meet

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

general, on-going financial obligations without limitations established by debt covenants or other legal requirements. The increase from last fiscal year is the result of an increase in fund balances in general capital and debt service accounts due to capital acquisitions.

The following graph represents the percentage of restricted and unrestricted net position as discussed above.



CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Changes in Net position – As taken from the Statement of Activities, the following table signifies the changes in net position for fiscal years 2023 and 2022.

City of Saratoga Springs
Summary of Change in Net position
(in millions of dollars)

	Governmental		Business-Type		Total	2023	2022	<u>Total %</u> <u>Change</u>
	Activities	2023	Activities	2022				
Revenues								
Program Revenues								
Charges for Services	\$ 11.5	\$ 13.7	\$ 23.3	\$ 20.3	\$ 34.8	\$ 34.0		2.3%
Operating grants and contributions	0.9	0.9	-	-	0.9	0.9		0.0%
Capital grants and contributions	22.4	24.5	33.0	25.5	55.4	50.1		10.6%
General Revenues								
Property Tax	5.3	4.9	-	-	5.3	4.9		8.2%
Other Taxes	14.2	12.1	-	-	14.2	12.1		17.4%
Investment earnings	2.0	-0.1	-	-	2.0	-0.1		2100.0%
Total Revenues	56.3	56.0	56.3	45.8	112.6	101.9		10.5%
Expenses								
General government	3.9	3.4	-	-	3.9	3.4		14.7%
Public safety	12.2	11.9	-	-	12.2	11.9		2.5%
Highways and public improvements	7.1	7.0	-	-	7.1	7.0		1.4%
Parks and recreation	9.0	7.1	-	-	9.0	7.1		26.8%
Community Development	0.7	0.7	-	-	0.7	0.7		0
Interest on long-term debt	0.3	0.3	-	-	0.3	0.3		0
Water utility	-	-	16.3	22.2	16.3	22.2		-26.6%
Sewer utility	-	-	7.2	6.3	7.2	6.3		14.3%
Storm drain utility	-	-	3.0	2.0	3.0	2.0		50.0%
Garbage	-	-	2.6	2.0	2.6	2.0		30.0%
Street Lights	-	-	0.5	0.5	0.5	0.5		0
Total Expenses	33.2	30.4	29.7	33.00	62.8	63.4		-0.9%
Excess or deficiency before transfers								
Change in net position	23.2	25.7	26.6	14.2	49.8	39.9		24.8%
Transfers	-	-	-	-	-	-		-
Net position beginning	173.1	147.3	225.5	211.2	398.6	358.5		11.2%
Net position ending	\$ 196.3	\$ 173.1	\$ 252.1	\$ 225.5	\$ 448.5	\$ 398.6		12.5%

Net position increased from governmental activities in fiscal year 2023 approximately \$23.2 million and increased \$25.7 million in fiscal year 2022. The increase is primarily due to increases in general government revenue, primarily in taxes (sales and franchise taxes). Expenses for governmental activities were higher with a \$2.8 million increase. This is mainly due to increase in personnel costs in addition to increased positions.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Net position increased \$26.6 million in fiscal year 2022 and increased \$14.3 million in 2022 for business-type activities. The revenues for business-type activities decreased with an increase in charges for services combined with an increase in capital grants and contributions.

Revenues – For the year ended June 30, 2023, the City’s government-wide revenues are approximately \$112.6 million as compared to the prior year total revenues of \$101.9 million. Key elements of this change were as follows:

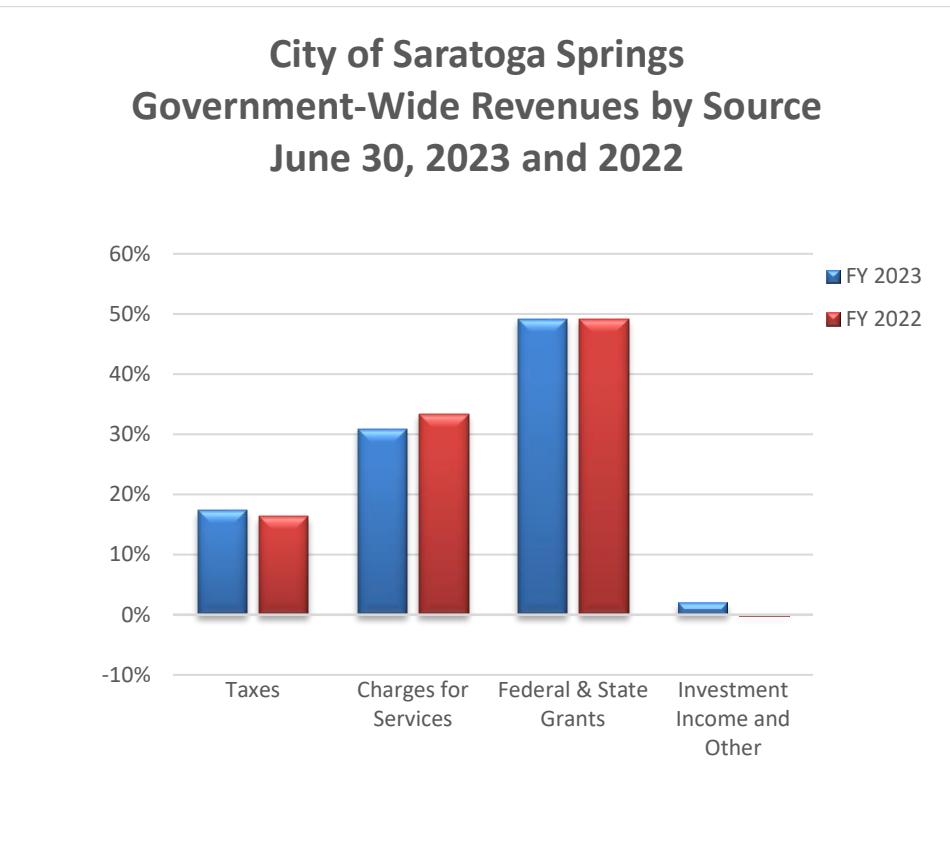
Of the City’s total revenues, about 17.3 percent in fiscal year 2023 and 16.7 percent in fiscal year 2022 resulted from taxes (under half of which is from property taxes) as shown in the following table:

City of Saratoga Springs
(in millions of dollars)

	Government wide		Total % Change
	2023	2022	
Property tax	\$ 5.4	\$ 4.9	10.2%
General sales and use tax	11.0	9.5	15.8%
Franchise fees	0.2	0.2	0.0%
Energy Tax	3.0	2.4	25.0%
Total	<u><u>\$ 19.6</u></u>	<u><u>\$ 17.0</u></u>	<u><u>15.3%</u></u>

- Charges for services increased by \$0.8 million in fiscal year 2023 and was 30.9 percent of total revenues in fiscal year 2023 from 33.4 percent in fiscal year 2022. The increase is due increases in the amount of Charges for services mainly from development fees, recreation fees and ambulance service revenue.
- Operating and capital contributions stayed the same in fiscal year 2023 from \$0.9 million to \$0.9 million. This was due to similar operating grant revenues received in public safety in Fire.
- Investment and other income, which is a combination of interest earnings and gain on the sale of capital assets increased in fiscal year 2023 by \$2.1 million due to the increase in interest rates.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023



Expenses – The City's government-wide total expenses cover a range of services. For the year ended June 30, 2023, the City's total expenses are \$62.8 million compared to the prior year of \$63.4 million. Of the \$0.6 million decrease, general government expenses increased \$0.5 million, public safety increased \$0.3 million, highways and public improvements increased \$0.1 million, parks and recreation increased \$1.9, the Community Development stayed the same, interest on long-term debt stayed the same, and business-type activities decreased by \$3.3 million.

Governmental Activities:

Revenue Highlights:

- Taxes encompass a sizable source of revenue for the City's governmental activities: Roughly \$19.5 million or 34.6 percent in fiscal year 2023 and \$17 million or 30.4 percent in fiscal year 2022 of total revenues from governmental activities. The \$2.5 million increase is majorly from sales and other taxes.
- Charges for services decreased to \$11.5 million or 20.4 percent of total revenues from governmental activities in fiscal year 2022 from \$13.7 million or 24.5 percent of total governmental activities revenues in fiscal year 2022. The decrease in fiscal year 2023 is a result decreased charges for services in Highways and Public Works being collected.
- Grant and contribution revenue denotes approximately \$22.4 million or 39.8 percent in fiscal year 2023 and \$24.5 million or 43.8 percent in fiscal year 2022 of total revenues from governmental

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

activities. The \$2.1 million decrease was the effect of less developer contributions received in highways and public works as compared to last fiscal year.

Expense Highlights:

- General government expenses of around \$3.9 million in fiscal year 2023 and \$3.4 million in fiscal year 2022 represented 11.7 percent in fiscal year 2022 and 11.2 percent in fiscal year 2022 of total expenses from governmental activities. General government includes: Legislative, Administration, Utility billing, Treasury, Recorder, Attorney, Justice Court, Elections, and non-departmental. The \$0.5 million increase is due mainly to an increase in personnel costs.
- Public safety expenses were \$12.2 million or 36.7 percent in fiscal year 2023 and \$11.9 million or 39.1 percent in fiscal year 2022. The expenses are higher due to increased personnel costs.
- Highways and public improvements were \$7.1 million or 21.4 percent in fiscal year 2023 and \$7.0 million or 23.0 percent in fiscal year 2022. The \$0.1 million increase is due to more road and general capital projects.
- Parks and recreation expenses were \$9.0 million or 27.1 percent in fiscal year 2023 and \$7.1 million or 23.4 percent in fiscal year 2022. The \$1.9 million increase is due to an increased number of capital projects and increased personnel costs.

As a result, total net expenses that were funded by general revenues were \$1.8 million. Tax revenues of \$19.5 million were sufficient to fund net expenses in fiscal year 2023.

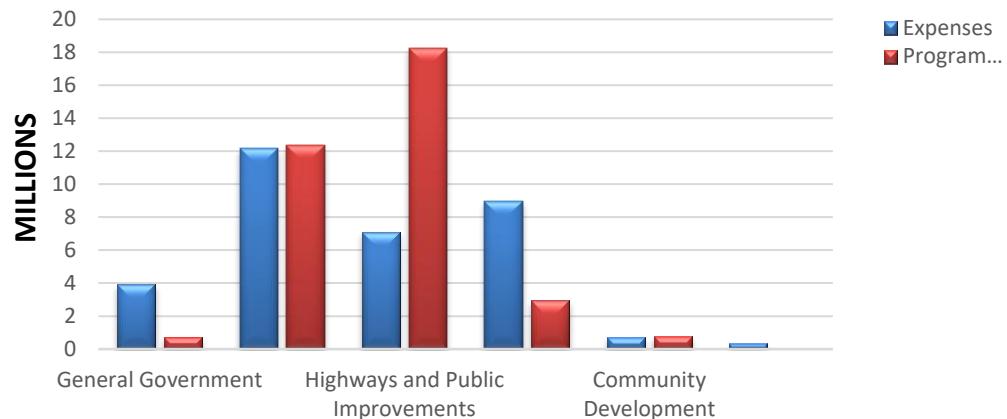
The following presents the costs and net costs (total cost less fees generated by the activities and intergovernmental aid) of the City's programs:

City of Saratoga Springs
Costs of Governmental Activities
(in millions of dollars)

	Total Cost of Services		Net Cost of Services		Total % Change
	2023	2022	2023	2022	
General government	\$ 3.9	\$ 3.4	\$ (3.2)	\$ (3.1)	-3.2%
Public safety	12.2	11.9	0.1	1.7	-94.1%
Highways and public improvements	7.1	7.0	11.1	14.2	-21.8%
Parks and recreation	9.0	7.1	(6.0)	(3.7)	-62.2%
Community Development	0.7	0.7	0.1	0.1	0.0%
Interest on long-term debt	0.3	0.3	(0.3)	(0.4)	25.0%
Total	\$ 33.2	\$ 30.4	\$ 1.8	\$ 8.8	-79.5%

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Expense and Program Revenue-Governmental Activities
FY2023



Based on Government-Wide Financial Statements. See page 29.

Business-type Activities:

The City's business-type activities increased net position by \$26.6 million. Key elements of this increase were as follows:

Revenue Highlights:

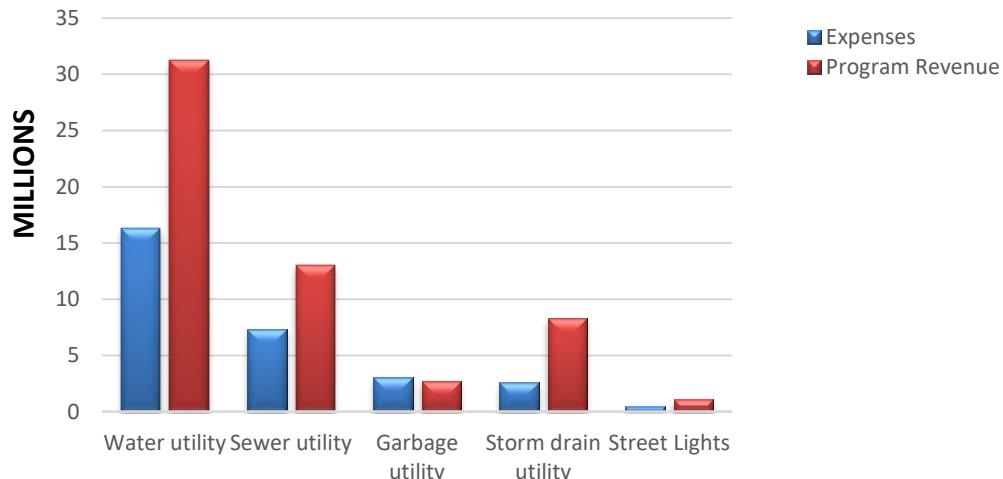
- Charges for services for business-type activities increased by \$3.0 million for fiscal year 2023. This is mainly due to more impact fee revenues for this fiscal year.
- Operating and capital grants and contributions increased about \$7.5 million in fiscal year 2023. The \$7.5 million decrease is due to more developer contributions.

Expense Highlights:

- Personnel expenses increased by approximately \$0.1 million due to positions being filled in the utility funds.
- Supplies and maintenance expenses decreased by more than \$0.2 million. The decrease is due to a decrease of purchase of water.
- Professional services expenses stayed about the same, due to a similar need for consulting services for upcoming capital projects.
- Treatment and sanitation expenses increased approximately \$0.1 million due to an increase in sewer treatment costs as a result from the continuous growth in housing.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Business Type Funds - Program Revenues and Expenses
FY2023



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources available for appropriation. Such information is helpful in assessing the City's financial requirements.

As of June 30, 2023, the aggregate fund balance of the City's governmental funds was \$32.5 million, an increase of \$0.3 million in comparison with the fiscal year ended June 30, 2022. In fiscal year 2023, about \$12.4 million or 38.2 percent of this amount is unassigned fund balance compared to about \$9.9 million or 30.7 percent in fiscal year 2022. Unassigned fund balance categories are available for appropriation by the City Council at their discretion.

Assigned fund balance has limitations on use, are not available for new spending and are approximately \$18.7 million in fiscal year 2023 and \$14.3 million in fiscal year 2022. Of the assigned fund balance \$18.5 million is for capital projects, and \$0.2 million is for community development. Restricted fund balance has limitations in that it is just used for projects for future growth in the designated impact fee funds. The balance in the restricted is \$1.4 million.

The General Fund is the principal operating fund of the City. Utah State code establishes a 5.0 percent minimum (\$1,710,314) and a 35.0 percent maximum (\$11,972,201) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2023 the unassigned fund balance of the General Fund was \$12,423,269 and was \$451,068 above the 35.0 percent limit. The unassigned fund balance increased by \$2,545,278 in fiscal year 2023. The main reason for increased fund balance is the increase in taxes collected and charges for services.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the City's enterprise funds totaled about \$252.2 million at June 30, 2023, as compared to \$225.5 million at the end of fiscal year 2022. Net position at the end of fiscal year 2023 and 2022 for each of these funds were:

**City of Saratoga Springs
Proprietary Funds**

Fund	Amount		Change	
	2022	2022		
Water Utility	\$ 152,848,351	\$ 137,897,442	\$ 14,950,909	
Sewer Utility	51,307,039	45,559,725	5,747,314	
Storm Drain Utility	44,182,216	38,955,478	5,226,738	
Non Major Funds	3,861,933	3,120,725	741,208	
Total	\$ 252,199,539	\$ 225,533,370	\$ 26,666,169	

The net increase in net position from the prior year was \$14.4 million as compared to an increase of \$26.7 million in fiscal year 2023. Operating revenues increased \$1.5 million in fiscal year 2023 as compared to a \$1.1 million increase change in fiscal year 2022 due to increased charges for services, connections and other fees.

The Water Utility operating revenues increased by \$0.2 million due to increased residents and households within the city limits due to continued growth. The Sewer Utility operating revenues increased by \$1.0 million in comparison to the previous fiscal year due to increased residents and households within city limits due to continued growth. The Storm Drain Utility operating revenues increased \$0.4 million.

Water Utility net position invested in capital assets net of related debt increased by \$15.0 million in fiscal year 2023 primarily due to increased accumulated depreciation, routine acquisition and disposition of capital assets, and less total liabilities. Restricted net position decreased by \$6.9 million and unrestricted net position increased by \$10.0 million.

Sewer utility net position invested in capital assets net of related debt increased by \$5.7 million, unrestricted net position increased by \$1.2 million. The increase in net position invested in capital assets net of related debt was due to the net acquisition of capital assets, disposition of capital assets and depreciation expense.

Storm Drain Utility net position invested in capital assets net of related debt increased by \$5.2 million, unrestricted net position increased by \$0.7 million resulting in a net increase of total net position of a little more than \$5.2 million.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for expenditures of more than \$0.8 million (net increase) can be summarized as follows:

- More than \$0.4 million increase in general government resulting from increases in general government consulting, grant expenditures, and personnel.
- More than \$0.5 million increase in public safety from public safety personnel for the Bluffdale contract and the Saratoga Springs police department.
- More than \$0.4 million increase in highways and streets mainly for new position in personnel.
- More than \$0.2 million increase in Parks and recreation for increased personnel and equipment.

Total actual expenditures came in \$2.7 million below the final budget. The differences between actual and the final budget can be briefly summarized as follows:

- The final budget was \$0.8 million more than the actual expenditures in general government. This difference was attributed to spending coming in under budget in salaries and wages, supplies, education and training, and contract services.
- The final budget was \$1.7 million more than the actual expenditures in public safety. This difference was attributed to actuals less than budget in salaries and wages, equipment and professional contract services.
- The final budget was \$0.3 million more than the actual expenditures in highways and public improvements. This difference was attributed to coming in under budget in salaries and wages, employee benefits, street maintenance equipment and vehicle lease payments.
- The final budget was \$0.2 million less than actual expenditures in parks and recreation. The difference was coming in over budget in salaries and wages, employee benefits, vehicle lease payments, and supplies.

Actual revenues of \$34.2 million were above the final budgeted revenues of \$32.4 million by \$1.8 million. This is mainly due to taxes, increased charges for services and licenses and permits.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The City's investment in capital assets for is governmental and business-type activities totaled \$414.1 million (net of \$180.8 million accumulated depreciation) at June 30, 2023, as compared to \$373.3 million (net of \$164.2 million accumulated depreciation) at June 30, 2022. This investment in capital assets includes land, water rights, buildings, equipment, infrastructure, water capacities, culinary water system, secondary water irrigation system, sewer system, storm drain system, and construction in progress.

Major capital asset additions during the year ended June 30, 2023 include:

Governmental Activities:

- \$0.1 million Sunrise Meadows Bike Park
- \$0.6 million Redwood Road Trail Segments
- \$5.4 million Pony Express Extension
- \$13.2 million for Developer Contributions for Road Infrastructure

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Business-type Activities:

- \$0.4 million Northgate Secondary Waterlines
- \$0.9 million Mt Saratoga Z1 Tank
- \$2.4 million Zone 2 North Pond
- \$3.5 million Foothill Waterline Pony to Beacon
- \$3.5 million Developer Sewer Infrastructure Contributions
- \$5.9 million Developer Storm Drain Infrastructure Contributions
- \$9.3 million Developer Water Infrastructure Contributions

Additional information on the City's capital assets can be found in Note 4 – Capital Assets on page 48 of this report.

Long-Term Liabilities: Long-term debt for governmental activities increased by more than \$1.3 million in comparison with fiscal year 2022 due to reductions from bond payments. Business-type activities debt increased in fiscal year 2023 by \$2.3 million when compared with fiscal year 2022. Please see Note 11 for details concerning long-term debt on Page 61.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for Utah County was 2.8 percent compared with the State unemployment rate of 2.7 percent and a national rate of 3.6 percent.
- The fiscal year 2023 City budget does not include a property tax increase. The City Council adopted the certified tax rate for the General Fund. In accordance with Utah Statutes, the certified tax rate is intended to generate the same amount of property tax revenue as was received the prior year plus revenue for "new growth" occurring in the City. All other revenue sources have been estimated on a conservative basis using a multi-year trend analysis and assuming no significant changes in the local economy. The City's approach to budgeting includes preparation of a five-year capital plan. The long-term nature of the City's financial planning system allows decision makers to better understand the true effect of policy decisions. One of the most powerful aspects of the multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider necessary steps to alter the long-term forecasted position of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Saratoga Springs' finances to everyone with an interest. Questions concerning any of the information provided in this report requests for additional information should be addressed to:

City of Saratoga Springs
Attn: Finance Department
1307 N. Commerce Drive
Saratoga Springs, Utah 84045-5302



BASIC FINANCIAL STATEMENTS

CITY OF SARATOGA SPRINGS

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents and investments	\$ 55,064,527	\$ 34,302,041	\$ 89,366,567
Cash restricted	1,397,475	2,444,866	3,842,342
Accounts receivable - net	3,128,324	1,849,829	4,978,153
Internal balances	(1,983,442)	1,983,442	-
Due from other governmental units	5,035,646	-	5,035,646
Net pension asset	845,766	55,903	901,669
Land	30,098,640	2,668,045	32,766,685
Water rights	-	23,729,353	23,729,353
Construction in progress	19,250,063	9,581,517	28,831,580
Buildings and improvements	15,118,144	-	15,118,144
Equipment	10,717,048	2,872,523	13,589,571
Infrastructure	189,060,818	291,859,120	480,919,938
Accumulated Depreciation	(91,384,328)	(89,388,347)	(180,772,675)
Total assets	<u>236,348,681</u>	<u>281,958,292</u>	<u>518,306,973</u>
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	3,130,781	206,939	3,337,720
Total Deferred outflow of resources	<u>3,130,781</u>	<u>206,939</u>	<u>3,337,720</u>
Total assets and deferred outflows of resources	<u><u>\$ 239,479,463</u></u>	<u><u>\$ 282,165,231</u></u>	<u><u>\$ 521,644,694</u></u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 5,590,554	\$ 2,074,122	\$ 7,664,676
Deposits payable	11,953,974	517,582	12,471,556
Accrued interest payable	28,272	61,145	89,417
Unearned revenues	7,414,807	1,796,360	9,211,167
Long-term liabilities			
Due within one year	1,593,250	1,619,714	3,212,964
Due in more than one year	11,413,978	23,887,621	35,301,599
Total liabilities	<u>37,994,835</u>	<u>29,956,544</u>	<u>67,951,379</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	138,411	9,148	147,559
Property taxes levied for future years	5,035,647	-	5,035,647
Total deferred inflow of resources	<u>5,174,058</u>	<u>9,148</u>	<u>5,183,206</u>
NET POSITION			
Net investment in capital assets	161,969,706	215,687,070	377,656,776
Restricted			
Impact fees	1,935,044	2,339,287	4,274,331
Net pension assets	845,766	55,903	901,669
Unrestricted	31,560,054	34,117,279	65,677,333
Total net position	<u>196,310,570</u>	<u>252,199,539</u>	<u>448,510,109</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 239,479,463</u></u>	<u><u>\$ 282,165,231</u></u>	<u><u>\$ 521,644,694</u></u>

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS

Statement of Activities
For the Year Ended June 30, 2023

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,939,098	\$ 733,059	\$ -	\$ -	\$ (3,206,039)	\$ -	\$ (3,206,039)
Public safety	12,188,986	9,691,535	227,807	2,421,653	152,009	-	152,009
Highways and public works	7,090,891	49,747	-	18,205,491	11,164,347	-	11,164,347
Parks and recreation	8,973,034	1,090,207	-	1,841,541	(6,041,286)	-	(6,041,286)
Community Development	729,650	-	760,000	-	30,350	-	30,350
Interest on long-term debt	331,385	-	-	-	(331,385)	-	(331,385)
Total governmental activities	<u>33,253,044</u>	<u>11,564,548</u>	<u>987,807</u>	<u>22,468,685</u>	<u>1,767,996</u>	<u>-</u>	<u>1,767,996</u>
Business-type activities:							
Major Funds							
Water	16,315,045	11,562,202	-	19,703,752	-	14,950,909	14,950,909
Sewer	7,273,841	6,955,895	-	6,065,260	-	5,747,314	5,747,314
Storm Drain	3,054,484	1,496,588	-	6,784,634	-	5,226,738	5,226,738
Non Major Funds							
Garbage	2,582,392	2,720,827	-	-	-	138,435	138,435
Street Lights	500,436	645,209	-	458,000	-	602,773	602,773
Total business-type activities	<u>29,726,198</u>	<u>23,380,721</u>	<u>-</u>	<u>33,011,646</u>	<u>-</u>	<u>26,666,169</u>	<u>26,666,169</u>
Total primary government	<u>\$ 62,979,242</u>	<u>\$ 34,945,269</u>	<u>\$ 987,807</u>	<u>\$ 55,480,331</u>	<u>1,767,996</u>	<u>26,666,169</u>	<u>28,434,165</u>
General revenues:							
Property taxes				\$ 5,394,820	\$ -	\$ 5,394,820	
General sales and use tax				11,070,081	-	11,070,081	
Franchise taxes				185,550	-	185,550	
Energy taxes				3,031,148	-	3,031,148	
Interest earnings				2,042,993	-	2,042,993	
Gain (loss) on sale of capital assets				(261,340)	-	(261,340)	
Total general revenues and transfers				<u>21,463,252</u>	<u>-</u>	<u>21,463,252</u>	
Change in net Position				23,231,248	26,666,169	49,897,417	
Net position- beginning				173,079,322	225,533,370	398,612,692	
Net position - ending				<u>\$ 196,310,570</u>	<u>\$ 252,199,539</u>	<u>\$ 448,510,109</u>	

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS
 Balance Sheet
 Governmental Funds
 June 30, 2023

	Major Funds			Community Development Renewal Agency	Total Governmental Funds
	General Fund	Capital Projects			
ASSETS					
Cash and cash equivalents and investments	\$ 22,310,261	\$ 31,859,996	\$ 894,270	\$ 55,064,527	
Cash - restricted	756	1,396,719	-	1,397,475	
Accounts receivable - net	3,128,324	-	-	3,128,324	
Special Assessments	-	-	-	-	
Due from other funds	5,010,909	-	-	5,010,909	
Due from other governments	5,035,646	-	-	5,035,646	
Prepays	-	-	-	-	
Total assets	<u><u>\$ 35,485,896</u></u>	<u><u>\$ 33,256,715</u></u>	<u><u>\$ 894,270</u></u>	<u><u>\$ 69,636,881</u></u>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,510,849	\$ 3,350,055	\$ 729,650	\$ 5,590,554	
Due to other funds	149,461	6,844,890	-	6,994,351	
Deposits	11,953,974	-	-	11,953,974	
Unearned revenue	4,259,698	3,155,109	-	7,414,807	
Total liabilities	<u><u>17,873,982</u></u>	<u><u>13,350,054</u></u>	<u><u>729,650</u></u>	<u><u>31,953,686</u></u>	
Deferred inflows of Resources:					
Property taxes levied for future years	5,035,646	-	-	5,035,646	
Unavailable property taxes-delinquent	152,999	-	-	152,999	
Total deferred inflows of resources	<u><u>5,188,645</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,188,645</u></u>	
Fund Balances:					
Fund balances Restricted for:					
Impact fees	-	1,395,044	-	1,395,044	
Fund balances					
Committed for:					
Assigned, for:					
Capital projects	-	18,511,617	-	18,511,617	
Community Development	-	-	164,620	164,620	
Unassigned:	12,423,269	-	-	12,423,269	
Total fund balances	<u><u>12,423,269</u></u>	<u><u>19,906,661</u></u>	<u><u>164,620</u></u>	<u><u>32,494,550</u></u>	
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 35,485,896</u></u>	<u><u>\$ 33,256,715</u></u>	<u><u>\$ 894,270</u></u>	<u><u>\$ 69,636,881</u></u>	

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS
 Balance Sheet Reconciliation to
 Statement of Net Assets
 June 30, 2023

Total fund balances - governmental fund types:	\$ 32,494,550
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	172,860,385
Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds.	3,976,547
Deferred inflows of resources from unearned revenue are not available financial resources and are not reported in the governmental funds.	152,998
Net pension liabilities and deferred inflows of resources are not available financial resources and are not reported in the governmental funds.	(1,930,176)
Long-term liabilities, including bonds payable and pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	\$ (9,415,000)
Lease payable	(320,564)
Bond premium	(212,950)
Accrued interest	(28,272)
Compensated absences	<u>(1,266,949)</u>
	(11,243,735)
Net assets of government activities	<u><u>\$ 196,310,570</u></u>

CITY OF SARATOGA SPRINGS
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2023

	Major Funds			Community Development Renewal	Total Governmental Funds
	General Fund	Capital Projects Fund			
REVENUES					
Taxes	\$ 19,621,204	\$ -		\$ -	\$ 19,621,204
Licenses and permits	1,898,591	-		-	1,898,591
Intergovernmental	3,279,501	3,431,589		760,000	7,471,090
Charges for services	7,450,583	-		-	7,450,583
Fines and forfeitures	518,833	-		-	518,833
Investment earnings	976,637	1,066,355		-	2,042,992
Impact fees	-	3,705,108		-	3,705,108
Other	460,940	322,840		-	783,780
Total revenues	<u>34,206,289</u>	<u>8,525,892</u>		<u>760,000</u>	<u>43,492,181</u>
EXPENDITURES					
Current:					
General government	3,990,399	-		-	3,990,399
Public safety	12,584,985	-		-	12,584,985
Highways and public works	2,741,469	11,072,309		-	13,813,778
Parks and recreation	4,521,321	3,624,536		-	8,145,857
Community Development	-			729,650	729,650
Capital expenditures	-	2,655,020		-	2,655,020
Debt service:					
Principal retirement	205,000	674,900		-	879,900
Interest and fiscal charges	85,567	259,743		-	345,310
Total expenditures	<u>24,128,741</u>	<u>18,286,508</u>		<u>729,650</u>	<u>43,144,899</u>
Excess revenues over (under) expenditures	<u>10,077,548</u>	<u>(9,760,616)</u>		<u>30,350</u>	<u>347,282</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	7,398,000		-	7,398,000
Transfers out	(7,398,000)	-		-	(7,398,000)
Total other financing sources and uses	<u>(7,398,000)</u>	<u>7,398,000</u>		<u>-</u>	<u>-</u>
Net change in fund balance	2,679,548	(2,362,616)		30,350	347,282
Fund balances - beginning of year	9,743,721	22,269,277		134,270	32,147,268
Fund balances - end of year	<u>\$ 12,423,269</u>	<u>\$ 19,906,661</u>		<u>\$ 164,620</u>	<u>\$ 32,494,550</u>

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balance of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 347,282
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capitalized Expenditures	\$ 16,087,841
Depreciation Expense	<u>(7,372,166)</u>
	8,715,675

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, transfers and donations) is to increase (decrease) net assets.

Current year capital contributions from developers	13,193,056
Loss on Sale of Assets	<u>(261,340)</u>
	12,931,716

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

Change in pension related costs	669,887
Change in accrued compensated absences	<u>(387,532)</u>
	282,355

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	60,395
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The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayments on bonds	630,000
Principal repayments of capital leases	249,900
Accrued interest	<u>(1,286)</u>
Bond premium amortization	<u>15,211</u>
	893,825

Change in net assets of governmental activities	<u>\$ 23,231,248</u>
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See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget to Actual
General Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget -	
	Original	Final	Actual Totals	Positive (Negative)	
REVENUES					
Taxes:					
Property	\$ 5,317,130	\$ 5,317,130	\$ 5,334,425	\$ 17,295	
Sales	9,840,000	13,000,000	11,070,081	(1,929,919)	
Franchise	172,219	172,219	185,550	13,331	
Energy	2,176,724	2,176,724	3,031,148	854,424	
Licenses and permits	3,271,076	1,745,279	1,898,591	153,312	
Intergovernmental	2,115,526	2,208,582	3,279,501	1,070,919	
Charges for services	9,193,166	6,608,866	7,450,583	841,717	
Fines and forfeitures	385,288	505,914	518,833	12,919	
Investment earnings	650,000	650,000	976,637	326,637	
Other	43,456	43,456	460,940	417,484	
Total revenues	<u>33,164,585</u>	<u>32,428,170</u>	<u>34,206,289</u>	<u>1,778,119</u>	
EXPENDITURES					
Current:					
General government	4,623,172	4,864,043	3,990,399	873,644	
Public safety	13,997,304	14,379,114	12,584,985	1,794,129	
Highways and public works	2,958,129	3,044,628	2,741,469	303,159	
Parks and recreation	4,199,767	4,270,052	4,521,321	(251,269)	
Debt Service:					
Principal retirement	205,000	205,000	205,000	-	
Interest and fiscal charges	88,500	88,500	85,567	2,933	
Total expenditures	<u>26,071,872</u>	<u>26,851,337</u>	<u>24,128,741</u>	<u>2,722,596</u>	
Excess (deficit) of revenues over (under) expenditures	<u>7,092,713</u>	<u>5,576,833</u>	<u>10,077,548</u>	<u>4,500,715</u>	
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	177,818	177,818	-	(177,818)	
Transfers out	(7,158,000)	(12,158,000)	(7,398,000)	4,760,000	
Total other financing sources (uses)	<u>(6,980,182)</u>	<u>(11,980,182)</u>	<u>(7,398,000)</u>	<u>4,582,182</u>	
Net change in fund balance	112,531	(6,403,349)	2,679,548	9,082,897	
Fund balances - beginning	9,743,721	9,743,721	9,743,721	-	
Fund balances - ending	<u>\$ 9,856,252</u>	<u>\$ 3,340,372</u>	<u>\$ 12,423,269</u>	<u>\$ 9,082,897</u>	

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS

Statement of Net Position

Proprietary Funds

June 30, 2023

Business-Type Activities - Enterprise					
	Major Funds			Non Major	
	Water	Sewer	Storm Drain	Funds	Total
ASSETS					
Current assets:					
Cash and cash equivalents and investments	\$ 21,362,301	\$ 9,074,699	\$ 2,846,197	\$ 1,018,844	\$ 34,302,041
Restricted cash and cash equivalents	2,441,955	2,911	-	-	2,444,866
Accounts receivable - net	663,898	678,843	157,248	349,840	1,849,829
Due from other funds	380,113	975,986	563,633	63,710	1,983,442
Total current assets	<u>24,848,267</u>	<u>10,732,439</u>	<u>3,567,078</u>	<u>1,432,394</u>	<u>40,580,178</u>
Noncurrent assets:					
Capital Assets					
Land	1,732,145	935,900	-	-	2,668,045
Water rights	23,729,353	-	-	-	23,729,353
Construction in progress	5,575,389	3,248,359	757,769	-	9,581,517
Water capacities	10,950,988	-	-	-	10,950,988
Culinary water system	128,915,791	-	-	-	128,915,791
Secondary water system	28,533,275	-	-	-	28,533,275
Sewer system	-	63,787,065	-	-	63,787,065
Storm drain system	-	-	53,904,033	-	53,904,033
Street light system	-	-	-	5,767,968	5,767,968
Equipment	1,234,251	1,294,035	198,734	145,503	2,872,523
Less: Accumulated depreciation	(56,414,667)	(17,838,289)	(11,709,649)	(3,425,742)	(89,388,347)
Total capital assets	<u>144,256,525</u>	<u>51,427,070</u>	<u>43,150,887</u>	<u>2,487,729</u>	<u>241,322,211</u>
Net pension asset	35,706	20,197	-	-	55,903
Total noncurrent assets	<u>144,292,231</u>	<u>51,447,267</u>	<u>43,150,887</u>	<u>2,487,729</u>	<u>241,378,114</u>
Total assets	<u>169,140,498</u>	<u>62,179,706</u>	<u>46,717,965</u>	<u>3,920,123</u>	<u>281,958,292</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related costs	132,174	74,765	-	-	206,939
Total deferred outflow of resources	<u>132,174</u>	<u>74,765</u>	<u>-</u>	<u>-</u>	<u>206,939</u>
Total assets & deferred outflows of resources	<u>\$ 169,272,672</u>	<u>\$ 62,254,471</u>	<u>\$ 46,717,965</u>	<u>\$ 3,920,123</u>	<u>\$ 282,165,231</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 557,727	\$ 1,478,551	\$ 11,684	\$ 26,160	\$ 2,074,122
Compensated absences	18,633	5,685	2,878	-	27,196
Customer deposits payable	488,143	29,439	-	-	517,582
Accrued interest payable	38,331	22,814	-	-	61,145
Unearned revenue	173,774	1,019,093	571,463	32,030	1,796,360
Bonds and contracts payable - current	1,152,518	440,000	-	-	1,592,518
Total current liabilities	<u>2,429,126</u>	<u>2,995,582</u>	<u>586,025</u>	<u>58,190</u>	<u>6,068,923</u>
Noncurrent liabilities:					
Compensated absences	18,630	7,125	11,159	-	36,914
Net pension liability	75,644	42,788	-	-	118,432
Bonds and contracts payable	13,895,078	7,898,632	1,938,565	-	23,732,275
Total noncurrent liabilities	<u>13,989,352</u>	<u>7,948,545</u>	<u>1,949,724</u>	<u>-</u>	<u>23,887,621</u>
Total liabilities	<u>16,418,478</u>	<u>10,944,127</u>	<u>2,535,749</u>	<u>58,190</u>	<u>29,956,544</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related costs	5,843	3,305	-	-	9,148
Total deferred outflow of resources	<u>5,843</u>	<u>3,305</u>	<u>-</u>	<u>-</u>	<u>9,148</u>
NET POSITION					
Net investment in capital assets	128,989,095	42,997,924	41,212,322	2,487,729	215,687,070
Restricted					
Impact fees	2,339,287	-	-	-	2,339,287
Net pension assets	35,706	20,197	-	-	55,903
Unrestricted	21,484,263	8,288,918	2,969,894	1,374,204	34,117,279
Total net position	<u>152,848,351</u>	<u>51,307,039</u>	<u>44,182,216</u>	<u>3,861,933</u>	<u>252,199,539</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 169,272,672</u>	<u>\$ 62,254,471</u>	<u>\$ 46,717,965</u>	<u>\$ 3,920,123</u>	<u>\$ 282,165,231</u>

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2023

Business-Type Activities - Enterprise Funds					
	Major Funds			Non Major	
	Water	Sewer	Storm Drain	Funds	Total
Operating revenues:					
Charges for services	\$ 8,077,418	\$ 6,293,729	\$ 1,372,143	\$ 3,303,631	\$ 19,046,921
Connection and other fees	2,458,562	319,600	-	-	2,778,162
Total operating revenues	<u>10,535,980</u>	<u>6,613,329</u>	<u>1,372,143</u>	<u>3,303,631</u>	<u>21,825,083</u>
 Operating expenses:					
Personnel Services	886,970	244,001	285,213	80,210	1,496,394
Supplies and maintenance	6,585,791	671,988	589,641	254,517	8,101,937
Professional services	32,204	-	32,130	-	64,334
Administration	1,819,264	986,112	577,053	251,228	3,633,657
Power and pumping	584,572	46,600	4,163	-	635,335
Treatment and sanitation	-	2,782,852	-	2,381,870	5,164,722
Depreciation	5,462,715	2,095,208	1,566,284	115,003	9,239,210
Total operating expenses	<u>15,371,516</u>	<u>6,826,761</u>	<u>3,054,484</u>	<u>3,082,828</u>	<u>28,335,589</u>
Operating income	<u>(4,835,536)</u>	<u>(213,432)</u>	<u>(1,682,341)</u>	<u>220,803</u>	<u>(6,510,506)</u>
 Nonoperating revenues (expenses):					
Interest revenue	1,026,222	342,566	99,526	62,405	1,530,719
Developer reimbursements	(457,191)	(176,485)	24,919	-	(608,757)
Intergovernmental revenue	1,969,473	1,999,525	128,979	-	4,097,977
Interest expense and fiscal charges	(486,338)	(270,595)	-	-	(756,933)
Total nonoperating revenues (expenses)	<u>2,052,166</u>	<u>1,895,011</u>	<u>253,424</u>	<u>62,405</u>	<u>4,263,006</u>
Net income (loss) before contributions and transfers	<u>(2,783,370)</u>	<u>1,681,579</u>	<u>(1,428,917)</u>	<u>283,208</u>	<u>(2,247,500)</u>
Capital contributions	15,518,198	3,544,191	5,944,291	458,000	25,464,680
Impact fees	2,216,081	521,544	711,364	-	3,448,989
Total contributions and transfers	<u>17,734,279</u>	<u>4,065,735</u>	<u>6,655,655</u>	<u>458,000</u>	<u>28,913,669</u>
Change in net position	14,950,909	5,747,314	5,226,738	741,208	26,666,169
Total net position - beginning	<u>137,897,442</u>	<u>45,559,725</u>	<u>38,955,478</u>	<u>3,120,725</u>	<u>225,533,370</u>
Total net position - ending	<u>\$ 152,848,351</u>	<u>\$ 51,307,039</u>	<u>\$ 44,182,216</u>	<u>\$ 3,861,933</u>	<u>\$ 252,199,539</u>

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

Business-Type Activities - Enterprise Funds						
	Major Funds			Non Major Funds		Total BTAs
	Water	Sewer	Storm Drain	Funds	Total BTAs	
Cash Flows From Operating Activities						
Receipts from customers	\$ 10,539,898	\$ 6,537,435	\$ 1,343,616	\$ 3,212,959	\$ 21,633,908	
Payments to suppliers	(7,764,642)	(2,460,523)	(649,389)	(80,210)	(10,954,764)	
Payments to interfund services	(1,819,264)	(986,112)	(577,053)	(2,890,573)	(6,273,002)	
Payments to employees	(922,928)	(267,520)	(272,049)	-	(1,462,497)	
Net cash provided (used) by operating activities	33,064	2,823,280	(154,875)	242,176	2,943,645	
Cash Flows From Noncapital Financing Activities						
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities						
Purchases of capital assets	(6,246,506)	(2,738,196)	(105,166)	-	(9,089,868)	
Impact fees collected	1,953,642	521,544	671,587	-	3,146,773	
Payments for Grant Proceeds	-	1,999,525	128,979	-	2,128,504	
Payment for developer reimbursements	(457,191)	(176,485)	24,919	-	(608,757)	
Payments for developer contributions	6,198,568	-	-	-	6,198,568	
Principal paid on capital debt	(1,921,250)	(430,000)	-	-	(2,351,250)	
Interest and fees paid on capital debt	(511,748)	(277,041)	-	-	(788,789)	
Net cash provided (used) by capital and related financing activities	(984,485)	(1,100,653)	720,319	-	(1,364,819)	
Cash Flows From Investing Activities						
Interest and dividends received	1,026,222	342,566	99,526	62,405	1,530,719	
Net increase (decrease) in cash and cash equivalents	74,801	2,065,193	664,970	304,581	3,109,545	
Cash and cash equivalents - beginning	23,729,455	7,012,417	2,181,227	714,263	33,637,362	
Cash and cash equivalents - ending	<u>\$ 23,804,256</u>	<u>\$ 9,077,610</u>	<u>\$ 2,846,197</u>	<u>\$ 1,018,844</u>	<u>\$ 36,746,907</u>	
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	\$ (4,835,536)	\$ (213,432)	\$ (1,682,341)	\$ 220,803	\$ (6,510,506)	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization expense	5,462,715	2,095,208	1,566,284	115,003	9,239,210	
(Increase)/decrease in accounts receivable	3,918	(75,894)	(28,527)	(58,992)	(159,495)	
(Increase)/decrease in net pension assets	146,545	83,187	-	-	229,732	
(Increase)/decrease in deferred outflows	114,085	(11,010)	-	-	103,075	
Increase/(decrease) in accounts payable	(485,975)	1,044,471	(23,455)	(2,958)	532,083	
Increase/(decrease) in unearned revenue	-	-	-	(31,680)	(31,680)	
Increase/(decrease) in compensated absences	(282)	(432)	13,164	-	12,450	
Increase/(decrease) in net pension liability	75,644	42,788	-	-	118,432	
Increase/(decrease) in deferred inflows	(371,950)	(138,052)	-	-	(510,002)	
Increase/(decrease) in deposits	(76,100)	(3,554)	-	-	(79,654)	
Total adjustments	<u>4,868,600</u>	<u>3,036,712</u>	<u>1,527,466</u>	<u>21,373</u>	<u>9,454,151</u>	
Net cash provided (used) by operating activities	<u>\$ 33,064</u>	<u>\$ 2,823,280</u>	<u>\$ (154,875)</u>	<u>\$ 242,176</u>	<u>\$ 2,943,645</u>	
Noncash investing, capital, and financing activities						
Contributions by developers	\$ 9,319,630	\$ 3,544,191	\$ 4,414,370	\$ -	\$ 17,278,191	

See accompanying notes to the financial statements.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The City of Saratoga Springs (City) was incorporated in December 1997. The City operates under a council manager form of government and provides the following services as authorized by its charter: public safety (police, fire, inspection and animal control), streets and highways, public utilities (refuse collection, water sewer, and storm drain), parks and recreation and general administrative services. The financial statements of the City of Saratoga Springs have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

The City of Saratoga Springs is a municipal corporation governed by an elected mayor and six council members. The accompanying financial statements present the financial affairs of the government and its operations.

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 the related Governmental Accounting Standards. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent on the City.

Blended component units

Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The reporting entity of these financial statements includes the Saratoga Springs Community Development Agency (CDA)

The CDA is governed by a board comprised of the Mayor and City Council. Its sole purpose is a financing tool that allows the City to allocate sales tax collected within the City to provide incentives for incoming businesses within the designated project area. Separate financial statements are not issued or required for the CDA. The CDA is considered to be a blended component unit because the City's governing body is also the governing body and they exist exclusively to accomplish the specific purposes of the City Council.

B. Government-wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements (the statement of net position and the statement of activities) and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of inter-fund activity have been eliminated from the governmentwide statements except for the residual amounts due between governmental and business-type activities and inter-fund services provided.

The Statement of Net Position presents the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net position is restricted when constraint placed upon it is either externally imposed or is imposed by constitutional provisions or enabling legislation.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies – Continued

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 within a specific function. The City does not allocate general government (indirect) expenses to other functions. 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; and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which 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 use of financial resources to acquire capital assets are shown as assets in the government-wide financial statements, rather than reported as expenditures in the governmental fund financial statements. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source in the governmental fund financial statements. Amounts paid to reduce long-term debt in the government-wide financial statements are reported as a reduction of the related liability, rather than expenditures in the governmental fund statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (generally within sixty days) to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under the accrual method of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded when payment is due.

Sales and use taxes, franchise taxes and earned but un-reimbursed state and federal grants associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Property taxes are measurable as of the date levied and available only when cash is received by the county treasurer prior to the City's fiscal year end and remitted to the City within sixty days of its fiscal year end.

The City reports the following governmental funds:

General Fund - The General Fund is the primary operating fund. It is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital improvements (other than those financed by proprietary funds.)

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies – Continued

Community Development Agency – This special revenue fund accounts for all the Saratoga Springs Community Development Agency. This funds revenue source is sales tax assigned by the City to provide community development within the designated project area.

The City reports the following proprietary fund types as enterprise funds:

Water Utility Fund - The Water Utility Fund accounts for the water distribution system of the City for its residents.

Sewer Utility Fund - The Sewer Utility Fund accounts for the sewage collection systems of the City for its residents

Storm Drain Utility Fund - The Storm Drain Utility Fund accounts for the various storm drain collection and retention systems in the City for its residents.

Garbage Collection Utility Fund - The Garbage Collection Utility Fund accounts for the collection and disposal of garbage for City residents.

Street Light Utility Fund – The Street Light Utility Fund accounts for the street light services of the City for its residents.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by the Enterprise Funds for providing administrative, billing, and facility costs for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operation. The principal operating revenues of the enterprise funds are charges to customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets

Annual budgets are prepared and adopted before June 22 for the fiscal year commencing the following July 1, in accordance with the Uniform Fiscal Procedures Act for Utah Cities. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the department level, administration, public safety, public works, etc. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the general fund, special revenue, and capital projects funds are legally required and prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies – Continued

The Budgetary Comparison schedules presented in this section of the report are for the City's general fund and special revenue funds. Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to July 1. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the City Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unassigned fund balance at the end of each year.

Utah State allows for any unassigned fund balances in excess of 5% of total revenue of the general fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the general fund in an amount equal to 25% of the total estimated revenue of the general fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the City has one year to determine an appropriate use and then the excess must be included as an available resource in the general fund budget.

E. Taxes

In connection with budget adoption, an annual tax ordinance establishing the tax rate is adopted before June 22 and the City Recorder is to certify the tax rate to the County Auditor before June 22. Budgets for the general, special revenue, and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The above procedures are authorized by the Utah Code Sections 10-6-109 through 10-6-135.

All property taxes levied by the City are assessed and collected by Utah County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County monthly.

F. Capital Assets

Capital assets, which include land, buildings, property, plant, equipment, water rights, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and capital assets received in a concession arrangement should be reported at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are carried at cost or estimated historical cost. Depreciation of these assets is computed by use of the straight-line method over their estimated useful lives as follows:

Buildings and improvements	40 Years
Sewer collection system	30 Years
Water distribution systems	40 Years
Infrastructure and improvements	10-25 Years
Machinery and equipment	5-20 Years
Other improvements	10-40 Years

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies – Continued

G. Long-Term Obligation

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

H. Equity Classifications

Equity is classified in the government-wide financial statements as net assets and is displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

Nonspendable fund balance classification includes 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 fund balance classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Also includes all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as non-spendable, restricted nor committed in the General Fund, that are intended to be used for specific purposes. It is the City's policy to require City Council action for the assignment of funds.

Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies – Continued

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted. It is the City's policy to use committed funds first then assigned funds and lastly use unassigned funds when all are available for use in satisfying the expenditure.

Proprietary Fund equity is classified the same as in the government-wide statements.

I. Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short-term investments with a maturity date of three months or less when acquired by the City.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources which represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City also records deferred outflows for changes to the net pension liability as provided by the cost sharing defined benefit pension systems administered by Utah State Retirement System (URS).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund has two items which qualifies for reporting in this category. First, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Second, the City recognizes deferred inflows for changes to the net pension liability as provided by the URS.

L. Leases

During the year ended June 30, 2022, the City adopted Governmental Accounting Standards Board Statement No. 87, Leases. The new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. The statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The beginning fund balances, and Net position was not affected by the implementation of GASB 87. The City has one lease which is a financed Purchase lease that was already reported by the City, see note 12.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 2 – Cash, Deposits, and Investments

The City maintains a cash and investment pool that is available to use by all funds. At June 30, 2023, the City's cash balance consisted of the following:

Cash on hand and on deposit:

Petty Cash	\$ 6,797
Cash on Deposit	5,717,823
Cash equivalents and investments	<u>87,484,289</u>
Total cash and investments	<u>\$ 93,208,909</u>

**Cash and investments are included in the accompanying
combined statement of net position as follows:**

Cash and cash equivalents and investments	\$ 89,366,567
Restricted cash and cash equivalents and investments	3,842,342
Total Cash and investments	<u>\$ 93,208,909</u>

A. Custodial Credit Risk

Deposits and investments for the City are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, “the Act”) and by rules of the Utah Money Management Council (“the Council”). Following are discussions of the City’s exposure to various risks related to its cash management activities.

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of City funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. The City’s deposits in the bank in excess of the insured amount are uninsured and are not collateralized, nor do state statutes require them to be. The City’s bank balances at June 30, 2023 were \$5,882,975 of which \$5,632,975 were uninsured and uncollateralized.

Investments. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City policy to minimize custodial credit risk is to follow the Utah Money Management Act and the City’s approved investment policy. All investments other than bank deposits or funds invested in the State’s Treasurer’s fund are held by a third party with securities delivered on a delivery vs purchase basis. The entire \$10,280,009 of the City’s various investments are uninsured, uncollateralized, and held by the counterparty’s trust department or agency in the City’s name.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 2 - Deposits and Investments – Continued

B. Credit Risk

Credit risk is the risk that the counterparty to an investment transaction will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first- tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations; and shares in a money market fund as defined in the Act.

The City is also authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. The fair value of the PTIF investment pool was more than its amortized cost basis by \$5,794.12 at June 30, 2023. The following are the City's Investments at June 30, 2023:

Investments	Investment Maturities (in Years)				Quality Ratings
	Less Than 1	1-5	6-10	More than 10	
Corporate Bonds	\$ 595,223	\$ 1,691,574			A+
U.S. Agencies	342,444	709,497			AAA
Money Market Fund	1,276,172				Unrated
Certificates of Deposit	1,469,696	4,195,404			Unrated
Utah Public Treasurers' Investment Finance Fund	77,204,279				Unrated
Total investments	\$ 80,887,814	\$ 6,596,475	\$ -	\$ -	

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less.

The act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by the U.S. government sponsored enterprises; and bonds, notes and other evidence of indebtedness of political subdivisions to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years. Maturities of the City' investments are noted above The City's policy is to adhere to the Money Management Act.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 2 - Deposits and Investments – Continued

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy to limit this risk is to adhere to the rules of the Money Management Council. The Money Management Council's rule 17 limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending on the total dollar amount held in the City's portfolio at the time of purchase.

At June 30, 2023, Saratoga Springs City does not hold more than 5 percent in any single security concentration other than the Utah Public Treasurer's Investment Fund in its portfolios. Therefore, the City is within the limits established by the Council's rule 17.

E. Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted Prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices; and
- Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

Investments	Fair Value Measurements Using			
	Fair Value	Level 1	Level 2	Level 3
Corporate Bonds	\$ 2,286,797	\$ -	\$ 2,286,797	\$ -
U.S. Agencies	1,051,941	1,051,941		
Money Market Fund	1,276,172	-	1,276,171	-
Certificates of Deposit	5,665,100	-	5,665,100	-
Utah Public Treasurers' Investment Finance Fund	77,204,279	-	77,204,279	-
Total Investments	<u>\$87,484,289</u>	<u>\$1,051,941</u>	<u>\$86,432,347</u>	<u>\$ -</u>

F. Restricted Cash

The City maintains cash in accounts held by third party custodians that are restricted for the use of bond payments and construction costs. The City also maintains cash restricted for unspent impact fees. The amount of restricted cash at June 30, 2023 was \$3,842,342.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 3 - Accounts Receivable – Unearned and Unavailable Revenue

Accounts receivable are recorded net of the allowance for doubtful accounts of \$18,682 in the enterprise funds. The governmental funds also report two types of unavailable resources:

1. Property taxes of \$5,035,646 as deferred inflows of resources due to property taxes being recognized as receivables prior to the period for which the taxes are levied. This amount is also reported as deferred inflows of resources on the Government-wide statement of net position.
2. Delinquent taxes of \$152,999 as deferred inflows of resources due to property taxes being recognized as receivables and deferred because they are available during the current period. Since they have been earned, they will be reported as revenue on the Government-wide statement of activities.

The City reports unearned revenue in the Government Wide and Fund Statements:

1. Developers paid the City \$10,000,000 of development and impact fees in advance. The funds will be applied to future projects and development within the City. The unearned revenue balance at June 30, 2023 is \$9,211,167.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 30,098,640	\$ -	\$ -	\$ 30,098,640
Construction in progress	10,406,463	13,667,955	(4,824,355)	19,250,063
Total capital assets not being depreciated	<u>40,505,103</u>	<u>13,667,955</u>	<u>(4,824,355)</u>	<u>49,348,703</u>
Capital assets being depreciated:				
Buildings	15,118,144	-	-	15,118,144
Machinery and equipment	9,877,908	1,107,898	(268,758)	10,717,048
Infrastructure	169,731,419	19,329,399	-	189,060,818
Total capital assets being depreciated	<u>194,727,471</u>	<u>20,437,297</u>	<u>(268,758)</u>	<u>214,896,010</u>
Less accumulated depreciation for:				
Buildings	(4,211,338)	(423,527)	-	(4,634,865)
Machinery and equipment	(5,468,070)	(702,657)	7,418	(6,163,309)
Infrastructure	(74,340,172)	(6,245,982)	-	(80,586,154)
Total accumulated depreciation	<u>(84,019,580)</u>	<u>(7,372,166)</u>	<u>7,418</u>	<u>(91,384,328)</u>
Total capital assets, being depreciated, net	<u>110,707,891</u>	<u>13,065,131</u>	<u>(261,340)</u>	<u>123,511,682</u>
Governmental activities capital assets, net	<u>\$ 151,212,994</u>	<u>\$ 26,733,086</u>	<u>\$ (5,085,695)</u>	<u>\$ 172,860,385</u>
 Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,618,629	\$ 49,416.00	\$ -	\$ 2,668,045
Water rights	23,729,353	-		23,729,353
Construction in Progress	9,001,483	4,451,998	(3,871,964)	9,581,517
Total capital assets not being depreciated	<u>35,349,465</u>	<u>4,501,414</u>	<u>(3,871,964)</u>	<u>35,978,915</u>
Capital assets being depreciated:				
Water capacity	10,950,988	-	-	10,950,988
Culinary water system	115,228,646	13,687,144	-	128,915,790
Secondary water system	25,993,716	2,539,559	-	28,533,275
Sewer system	60,199,422	3,587,643	-	63,787,065
Storm drain system	46,459,690	7,444,343	-	53,904,033
Street light system	5,309,968	458,000	-	5,767,968
Equipment	2,862,681	9,842	-	2,872,523
Total capital assets being depreciated	<u>267,005,111</u>	<u>27,726,532</u>	<u>-</u>	<u>294,731,643</u>
Less accumulated depreciation for:				
Water capacity	(8,924,189)	(547,549)	-	(9,471,738)
Culinary water system	(33,711,063)	(4,271,254)	-	(37,982,317)
Secondary water system	(7,525,080)	(553,016)	-	(8,078,096)
Sewer system	(15,007,215)	(2,008,775)	-	(17,015,990)
Storm drain system	(9,997,972)	(1,558,338)	-	(11,556,310)
Street light system	(3,279,214)	(100,453)	-	(3,379,667)
Equipment	(1,704,403)	(199,826)	-	(1,904,229)
Total accumulated depreciation	<u>(80,149,136)</u>	<u>(9,239,211)</u>	<u>-</u>	<u>(89,388,347)</u>
Total capital assets, being depreciated, net	<u>186,855,975</u>	<u>18,487,321</u>	<u>-</u>	<u>205,343,296</u>
Business-type capital assets, net	<u>\$ 222,205,440</u>	<u>\$ 22,988,735</u>	<u>\$ (3,871,964)</u>	<u>\$ 241,322,211</u>

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 4 - Capital Assets – Continued

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:

General government	\$ 266,178
Public safety	600,519
Public works	5,302,615
Parks and Rec	<u>1,202,854</u>
Total depreciation expense - governmental activities	<u><u>\$ 7,372,166</u></u>

Business-type activities:

Water	\$ 5,462,715
Sewer	2,095,208
Strom Drain	1,566,284
Street Lights	<u>115,003</u>
Total depreciation expense - business-type activities	<u><u>\$ 9,239,210</u></u>

Total depreciation expense \$ 16,611,376

Note 5 - Compensated Absences

Accumulated unpaid vacation, compensatory leave pay and other employee benefit amounts are accrued when incurred in proprietary funds (using the accrual basis of accounting). In the governmental funds (using the modified accrual basis of accounting) only the unpaid amounts due to retired or terminated employees are recorded as liabilities. All City employees are paid from the general fund. The total compensated absences liability is reported in the government wide financial statements as long-term debt in accordance with the Governmental Accounting Standards. Based on historical estimates, the City estimates that \$719,893 of the compensated absences balance will be due in the next year.

Note 6 - Retirement Plans

General Information about the Pension Plans

Plan description: Eligible plan participants are provided with pensions through the Utah retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System);
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employees, retirement systems.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning service on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year,

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans - Continued

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employees contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems	Employee	Employer	401(k)
Contributory System			
111 Local Government Div - Tier 2	N/A	16.01%	0.018%
Noncontributory System			
15 Local Government Div. Tier 1	N/A	17.97%	N/A
Public Safety System			
Contributory			
122 tier 2 DB Hybrid Public Safety	N/A	23.74%	N/A
Noncontributory			
49 Other Div B Tier 1	N/A	32.28%	N/A
Firefighters Retirement System			
31 Other Division B	16.71%	6.24%	N/A
132 Tier 2 DB Hybrid Firefighters	2.29	14.08%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.19%	10.00%
222 Public Safety	N/A	9.74%	14.00%
232 Firefighters	N/A	0.08%	14.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

Utah Retirement Systems

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 538,775	\$ -
Public Safety System	440,334	-
Firefighters System	38,457	103,116
Tier 2 Public Employees System	636,624	-
Tier 2 Public Safety and Firefighter	465,959	62,095
Tier 2 DC Only System	39,629	-
Tier 2 DC Public Safety and Firefighter System	12,811	-
Total Contributions	<u><u>\$ 2,172,589</u></u>	<u><u>\$ 165,211</u></u>

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

Contributions reported are URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expenses, and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

At June 30, 2023, we reported a net pension asset of \$901,669 and a net pension liability of \$1,910,197.

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	
				December 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 705,158	0.4117115%	0.0039357%	0.0181399%
Public Safety System	-	962,785	2.0719538%	2.0977891%	0.0258353%
Firefighters System	901,669	-	0.7163530%	0.6530226%	0.0633304%
Tier 2 Public Employees System	-	179,724	0.1650519%	0.4461830%	0.0204336%
Tier 2 Public Safety and Firefighter	-	62,530	0.7495403%	0.8373416%	0.0878013%
	<u>\$ 901,669</u>	<u>\$ 1,910,197</u>			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, we recognized pension expense of \$1,442,697. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Deferred Inflows of Resources	
	Resources	Resources
Differences between expected and actual experience	\$ 705,736	\$ 29,024
Changes in assumptions	346,915	17,383
Net difference between projected and actual earnings on pension plan investments	1,028,755	-
Changes in proportion and differences between contributions and proportionate share of contributions	153,927	101,153
Contributions subsequent to the measurement date	1,102,387	-
	<u>\$ 3,337,720</u>	<u>\$ 147,560</u>

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

\$1,102,387 was reported as deferred outflows of resources and deferred inflows of resources relating to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions expense as follows:

Year ended June 30,	Net Deferred Outflows (Inflows) of Resources	
2023	\$ (2,526)	
2024	137,546	
2025	396,982	
2026	1,439,544	
2027	20,043	
Thereafter	96,184	
	\$ 2,087,773	

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023 we recognized pension expense of \$420,564.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 239,179	\$ -
Changes in assumptions	115,566	2,816
Net difference between projected and actual earnings on pension plan investments	465,129	-
Changes in proportion and differences between contributions and proportionate share of contributions	80,569	-
Contributions subsequent to the measurement date	267,844	-
	\$ 1,168,287	\$ 2,816

\$267,844 was reported as deferred outflows of resources and deferred inflows of resources relating to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions expense as follows:

<u>Year ended June 30,</u>	Net Deferred Outflows (Inflows) of Resources	
2023	\$	(35,307)
2024		31,811
2025		186,824
2026		714,298
2027		-
Thereafter		-
	<hr/>	<hr/>
	\$	897,626

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023 we recognized pension expense of \$597,110.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 332,264	\$ -
Changes in assumptions	71,089	7,847
Net difference between projected and actual earnings on pension plan investments	272,482	1,035
Changes in proportion and differences between contributions and proportionate share of contributions	17,759	-
Contributions subsequent to the measurement date	221,020	-
	<hr/>	<hr/>
	\$ 914,614	\$ 8,882

\$221,020 was reported as deferred outflows of resources and deferred inflows of resources relating to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions expense as follows:

<u>Year ended June 30,</u>	Net Deferred Outflows (Inflows) of Resources	
2023	\$ 128,341	
2024		87,377
2025		101,013
2026		367,981
2027		-
Thereafter		-
	<hr/>	<hr/>
	\$ 684,712	

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023 we recognized pension expense of (\$191,428).

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,425	\$ 1,157
Changes in assumptions	62,367	-
Net difference between projected and actual earnings on pension plan investments	153,808	-
Changes in proportion and differences between contributions and proportionate share of contributions	137	83,717
Contributions subsequent to the measurement date	<u>19,903</u>	<u>-</u>
	<u><u>\$ 279,640</u></u>	<u><u>\$ 84,874</u></u>

\$19,903 was reported as deferred outflows of resources and deferred inflows of resources relating to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions expense as follows:

Year ended June 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (112,264)
2024	(16,587)
2025	53,848
2026	249,865
2027	-
Thereafter	-
	<u><u>\$ 174,862</u></u>

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023 we recognized pension expense of \$344,539.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,704	\$ 7,131
Changes in assumptions	58,347	457
Net difference between projected and actual earnings on pension plan investments	72,459	7,187
Changes in proportion and differences between contributions and proportionate share of contributions	32,507	-
Contributions subsequent to the measurement date	<u>351,003</u>	<u>-</u>
	<u><u>\$ 575,020</u></u>	<u><u>\$ 14,775</u></u>

\$351,003 reported as deferred outflows of resources and deferred inflows of resources relating to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions expense as follows:

Year ended June 30,	Net Deferred Outflows (Inflows) of Resources	
2023	\$ 10,303	
2024	21,719	
2025	34,515	
2026	65,449	
2027	15,673	
Thereafter	<u>61,582</u>	
	<u><u>\$ 209,241</u></u>	

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023 we recognized pension expense of \$271,910.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,164	\$ 20,736
Changes in assumptions	39,546	6,263
Net difference between projected and actual earnings on pension plan investments	64,877	-
Changes in proportion and differences between contributions and proportionate share of contributions	22,956	9,214
Contributions subsequent to the measurement date	<u>242,617</u>	<u>-</u>
	<u><u>\$ 400,160</u></u>	<u><u>\$ 36,213</u></u>

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

\$242,617 was reported as deferred outflows of resources and deferred inflows of resources relating to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2023	\$	6,399
2024		13,225
2025		20,781
2026		41,951
2027		4,370
Thereafter		34,602
	<hr/>	<hr/>
	\$	121,328

Actuarial assumptions: The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender and age, as appropriate, with adjustments for future improvement in mortality based on scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2022; valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions of January 1, 2021.

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

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalents	0.00%	-0.11%	0.00%
Totals	100%		5.17%
	Inflation		2.50%
	Expected arithmetic nominal return		7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.85 percent from 6.95 percent from the prior measurement period.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate at 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease	Discount Rate	1% Increase
	5.85%	6.85%	7.85%
Noncontributory System	\$ 4,444,145	\$ 705,158	\$(2,418,961)
Public Safety System	3,177,204	962,785	(643,454)
Firefighters System	280,205	(901,669)	(1,872,183)
Tier 2 Public Employees System	785,295	179,724	(286,792)
Tier 2 Public Safety and Firefighter	500,535	62,530	(285,579)
Total	\$ 9,187,384	\$ 1,008,528	\$(5,506,969)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 6 - Retirement Plans – Continued

Defined Contribution Savings Plan

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic requirements benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provision is available in the separately issued URS financial report.

City of Saratoga Springs participates in the following Defined Contribution Savings Plans with Utah Retirement Systems: 401(k) Plan, 457(b) Plan, Roth IRA Plan.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

	2023	2022	2021
401(k) Plan			
Employer Contributions	\$1,056,801	\$950,975	\$763,353
Employee Contributions	258,176	227,388	197,727
457(b) Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	158,599	184,596	141,336
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 73,430	\$ 78,150	\$ 66,234
Traditional IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 6,220	\$ 9,570	\$ 6,830

Note 7 - Interfund Transfers

Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2023 were as follows:

	In	Out
Governmental:		
General Fund	\$ -	\$ 7,398,000
Capital Projects	7,398,000	-
Total Transfers	\$ 7,398,000	\$7,398,000

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 7 - Interfund Transfers – Continued

The purpose of the inter-fund transfers is to meet the City's ongoing cash needs for capital projects. In addition to the transfers, the General Fund charged \$3,198,579 to the enterprise funds for personnel and administrative services and facility costs during the year.

Note 8 - Contingent Liabilities

Amounts received or receivables from grantor agencies are subject to audit and adjustment by those grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial. The City is also involved in various claims and litigation that should be covered by insurance.

On March 30, 2010 the City entered into an agreement with a neighboring municipality to provide police services. For the year ended June 30, 2023 the City received \$2,316,959 for the service.

Note 9 - Construction Commitments

The City has active construction projects as of June 30, 2023. The projects include construction of roads and utility system upgrades.

Project	Total Contract	Paid/Accrued to Date	Commitment Outstanding
All project	\$ 37,851,008	\$ 28,380,677	\$ 9,470,331

Note 10 - 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; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in the Local Governments Trust, a public entity risk pool. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. The City carries \$2,000,000 of liability coverage and \$1,000,000 of fidelity bond coverage for the treasurer.

The City participates in the public entity risk pool's general liability insurance program. This program requires annual premiums based on the City's level of insurance and previous claims experience. The payment of the premium indemnifies the City for claims that exceed its deductible amount. The risk pool is governed by the inter-local risk pool agreement.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 11 – Long-term debt

Special Assessment Bonds

The 2012 series bonds will be repaid from assessments levied against the property owners benefited by the improvements made by the City in the special improvement district area. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government may draw from the established reserve fund to cover the deficiency. The bonds have a stated rate of interest of 0.75% -4.45% with a maturity date of April 1, 2029.

The 2012 series special assessment bond is recorded in the enterprise fund with annual debt service requirements to maturity for special assessment bonds as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 72,000	\$ 19,393	\$ 91,393
2025	74,000	17,017	91,017
2026	77,000	14,168	91,168
2027	81,000	10,972	91,972
2028	84,000	7,570	91,570
2029	87,000	3,916	90,916
Total	\$ 475,000	\$ 73,036	\$ 548,036

B. Revenue Bonds

The government has issued bonds where the government pledged revenues derived from the operation of the utility system to pay the outstanding debt service. Revenue bonds are the obligations of the enterprise funds.

2014 Water Revenue Bonds

On October 22, 2014, the City issued \$9,995,000 in Series 2014 Water Revenue Bonds with a maturity date of December 1, 2033 with an average coupon rate of 3.051%. The bonds were issued to (1) finance the costs associated with acquiring, constructing, and equipping portions of the City's culinary water system, (2) refund the Series 2005, 2006, and 2009 Water Revenue Bonds, and (3) finance the cost of issuance of the Series 2014 Bonds. Each principal payment is subject to prepayment and redemption at any time, in whole or in part, in inverse order, at the election of the City. The redemption price is equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption, with annual debt service requirements to maturity for special assessment bonds as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 495,000	\$ 202,000	\$ 697,000
2025	510,000	189,626	699,626
2026	525,000	174,326	699,326
2027	540,000	158,576	698,576
2028	560,000	142,376	702,376
2029-2033	3,075,000	440,054	3,515,054
2034-2035	680,000	23,800	703,800
Total	\$ 6,385,000	\$ 1,330,758	\$ 7,715,758

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 11 – Long-term debt

2016 Water Revenue Bonds

On November 22, 2016, the City issued \$9,710,000 in Series 2016 Water Revenue Bonds with a maturity date of June 1, 2037 with an average coupon rate of 2.50%. The bonds were issued to finance the costs associated with acquiring, constructing, and equipping portions of the City's culinary water system. Each principal payment is subject to prepayment and redemption at any time, in whole or in part, in inverse order, at the election of the City. The redemption price is equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption. The annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 425,000	\$ 258,425	\$ 683,425
2025	445,000	236,675	681,675
2026	470,000	213,800	683,800
2027	495,000	194,675	689,675
2028	515,000	175,575	690,575
2029-2033	2,815,000	599,075	3,414,075
2034-2037	2,580,000	153,800	2,733,800
Total	\$ 7,745,000	\$ 1,832,025	\$ 9,577,025

The City has pledged all water utility net revenues to pay the debt service costs through maturity in 2037. During the year, the net revenue before depreciation was \$1,653,401 and the debt service requirement was \$1,384,324.

2018 Sewer Revenue Bonds

On May 17, 2018, the City issued \$9,970,000 in Series 2018 Sewer Revenue Bonds with a maturity date of June 1, 2038 with an average coupon rate of 3.25%. The bonds were issued to finance the costs associated with acquiring, constructing, and equipping portions of the City's sewer system. Each principal payment is subject to prepayment and redemption at any time, in whole or in part, in inverse order, at the election of the City. The redemption price is equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption. The annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 440,000	\$ 266,062	\$ 706,062
2025	455,000	252,862	707,862
2026	470,000	239,212	709,212
2027	485,000	225,112	710,112
2028	500,000	210,562	710,562
2029-2033	2,720,000	818,710	3,538,710
2034-2038	3,195,000	343,354	3,538,354
Total	\$ 8,265,000	\$ 2,355,874	\$ 10,620,874

The City has pledged all sewer utility net revenues to pay the debt service costs through maturity in 2038. During the year, the net revenue before depreciation was \$2,224,342 and the debt service requirement was \$708,962.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 11 - Long-term Debt – Continued

Sales Tax Revenue Bonds

Sales tax revenue bonds are special limited obligations of the City backed by the portion of sales and use taxes levied by the City under the Local Sales and Use Tax Act. The bonds are obligations of the governmental funds.

2011 Sales Tax Revenue Bonds

On June 1, 2011, the city issued \$4,000,000 in Series 2011 Sales Taxes Revenue Bonds at interest rates ranging from 3.0% to 4.125% with a maturity date of June 1, 2031. The bonds were issued to finance the costs associated with acquiring, constructing, renovating, equipping, and furnishing the City's facilities (including a public works facility, fire station, and city well improvements) and to exercise a purchase option under an outstanding financing lease for the City Hall building. Bond proceeds were also used to pay the cost of issuance of the Bonds. The Bonds maturing on or after June 1, 2021 are subject to redemption prior to maturity, in whole or in part, at the option of the City on December 31, 2020 or on any date thereafter, from such maturities or parts thereof as selected by the City. The redemption price will equal 100% of the principal amount to be repaid or redeemed, plus accrued interest, if any, to the date of redemption. The City has pledged all sales tax revenues to pay the debt service costs through maturity in 2031. The City has pledged all of its sales tax revenues. Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 210,000	\$ 79,088	\$ 289,088
2025	220,000	706,888	926,888
2026	230,000	61,888	291,888
2027	240,000	52,688	292,688
2028	250,000	43,088	293,088
2029-2031	810,000	67,326	877,326
Total	\$ 1,960,000	\$ 1,010,966	\$ 2,970,966

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 11 - Long-term Debt – Continued

2017 Sales Tax Revenue Bonds

On December 1, 2016, the city issued \$4,000,000 in Series 2017 Sales Taxes Revenue Bonds at interest rates ranging from 3.0% to 3.50% with a maturity date of June 1, 2037. The bonds were issued to finance the costs associated with acquiring, constructing, renovating, equipping, and furnishing the City's facilities (including a regional park complex). Bond proceeds were also used to pay the cost of issuance of the Bonds. The Bonds maturing on or after June 1, 2037 are subject to redemption prior to maturity, in whole or in part, at the option of the City on December 31, 2020 or on any date thereafter, from such maturities or parts thereof as selected by the City. The redemption price will equal 100% of the principal amount to be repaid or redeemed, plus accrued interest, if any, to the date of redemption. The City has pledged all sales tax revenues to pay the debt service costs through maturity in 2037. Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 435,000	\$ 235,976	\$ 670,976
2025	450,000	222,926	672,926
2026	460,000	209,426	669,426
2027	475,000	195,626	670,626
2028	490,000	181,376	671,376
2029-2033	2,680,000	677,320	3,357,320
2034-2037	2,465,000	219,494	2,684,494
Total	\$ 7,455,000	\$ 1,942,144	\$ 9,397,144

During the year the sales tax revenue was \$11,070,081 and the debt service requirement was \$964,476 or 9% of the sales tax revenue. The City has pledged all of its sales tax revenues.

C. Note Payable

Culinary Water System

Prior to the City being established in December 1997, a water company had built a water system in the area covered by the City. On February 2, 2005, the city entered into a settlement agreement to purchase the water system and the rights to the unused water capacity. The City's obligation of \$21,000,000 is to be serviced by paying two-thirds, presently \$2,000, of each connection or impact fee collected. By agreement, the obligation bears no interest. If the City has not paid the full obligation by February 2, 2025, then the remaining, unpaid balance becomes due at that date. The note is an obligation of the water enterprise fund. Based on the projection of 525 connections annually, the remaining obligation is expected to be retired as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 160,518	\$ -	\$ 160,518
Total	\$ 160,518	\$ -	\$ 160,518

Note Payable – Developer

In 2017 the City entered into an agreement to reimburse a developer for work performed on the storm drain system. The developer placed improvements to the storm drain infrastructure in the amount of \$3,136,549. The City agreed to reimburse the developer with impact fees collected and credits used. Because reimbursement is contingent upon impact fees assigned, there is no amortization schedule for this note. As of June 30, 2023 the outstanding balance was \$1,938,565.

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Note 11 - Long-term Debt – Continued

Lease Obligation

The City has entered into a lease agreement to purchase a fire truck. The equipment will become the property of the City when the terms of the lease agreement are met. The contract contains a fiscal non-funding clause that allows the City Council the option of terminating the lease at the end of any fiscal year. In the opinion of City management, the likelihood of this clause being exercised is remote. The original lease amount was for \$1,239,610. The amount drawn down and used was \$1,083,019. The difference was used to reduce the balance of the lease. The obligation requires semi-annual principal and interest payments until July 2024. The Lease carries a 2.25% interest rate. The amount of the underlying asset was \$1,083,019 and is depreciated over its useful life. As of June 30, 2023 the accumulated depreciation was \$130,744. The future Principal and interest payments are:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 255,553	\$ 5,783	\$ 261,336
2025	65,010	2,384	67,394
Total	\$ 320,563	\$ 8,167	\$ 328,730

D. Changes in Long-term Debt

During the year ended June 30, 2023, the following activity occurred in liabilities reported as long-term:

	Balance at June 30,2022	Additions	Reductions	Balance at June 30, 2023	Due within one year
Governmental activities					
Bonds payable:					
2011 Sales Tax Revenue Bond	\$ 2,165,000	\$ -	\$ (205,000)	\$ 1,960,000	\$ 210,000
2017 Sales Tax Revenue Bond	7,880,000	-	(425,000)	7,455,000	435,000
Unamortized Bond Premium	228,161	-	(15,211)	212,950	-
Total bonds payable	10,273,161	-	(645,211)	9,627,950	645,000
Lease Obligation	570,464	-	(249,900)	320,564	255,553
Net pension liability	-	1,791,765	-	1,791,765	-
Compensated absences	879,417	1,080,529	(692,997)	1,266,949	692,697
Total Governmental Long-Term Obligations	\$ 11,723,042	\$ 2,872,294	\$ (1,588,108)	\$ 13,007,228	\$ 1,593,250

	Balance at June 30,2022	Additions	Reductions	Balance at June 30, 2023	Due within one year
Business-Type Activities					
Bonds payable:					
2012 Special Assessment Bond	\$ 545,000	\$ -	\$ (70,000)	\$ 475,000	\$ 72,000
2014 Water Revenue Bond	6,870,000	-	(485,000)	6,385,000	495,000
2016 Water Revenue Bond	8,155,000	-	(410,000)	7,745,000	425,000
Unamortized Bond Premium	303,783	-	(21,705)	282,078	-
2018 Sewer Revenue Bond	8,695,000	-	(430,000)	8,265,000	440,000
Unamortized Bond Premium	78,893	-	(5,261)	73,632	-
Total bonds payable	24,647,676	-	(1,421,966)	23,225,710	1,432,000
Contract Payable	1,116,768	-	(956,250)	160,518	160,518
Note payable - developer	1,938,565	-	-	1,938,565	-
Net pension liability	-	118,432	-	118,432	-
Compensated absences	51,661	39,647	(27,197)	64,111	27,196
Total Business-Type Long-Term Obligations	\$ 27,754,670	\$ 158,079	\$ (2,405,413)	\$ 25,507,336	\$ 1,619,714

CITY OF SARATOGA SPRINGS
Notes to the Financial Statements
June 30, 2023

Net Pension Liability in the governmental activities is liquidated using current resources from the fund that the employee worked, typically the General fund.

Note 12 – Community Development Agency

The City Community Development Agency (CDA) was created in fiscal year 2020 to target a community project area. The CDA receives a percentage of the point of sale sales tax collected within the City. These funds are used to help offset the cost of construction and initial operations for incoming businesses within the project area.

In accordance with Utah State Code Section 17C-1-605(1) the City's CDA is required to disclose the following:

Intergovernmental Revenue

Project Area 1:	\$ 760,000
Total intergovernmental received by CDA	<u><u>\$ 760,000</u></u>

Revenues Expended:

Administrative costs	\$ 500
Developer Agreements	<u>729,150</u>
Total funds expended by CDA	<u><u>\$ 729,650</u></u>

Note 13 – Change in Accounting Principal

During the fiscal year ended June 30, 2023 the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription Based Information Technology Agreements (SBITA's). For purposes of this standard, a subscription-based software contract must convey control of the present service capacity of the subscription and allow the subscription payee to dictate the nature and manner of use of the IT asset. In addition, all contracts less than 12 months can be excluded from recognition on the subscription asset or liability. The District has evaluated all contracts and determined none qualify as a SBITA due to contracts less than 12 months or contracts that fail to convey control. Therefore, none of the subscription contracts have been reclassified as SBITA's.

Note 14 – Subsequent Events

We have evaluated the events and transactions for potential recognition or disclosure through November 20, 2023 the date the financial statements were available to be issued.

A wide-angle photograph of a winter landscape. In the foreground, a frozen marsh or river is visible, with patches of ice and some brown, dried reeds. The middle ground shows a line of bare trees and a town with white houses. In the background, a range of mountains is covered in snow. The sky is overcast with a mix of grey and orange hues from the setting sun.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SARATOGA SPRINGS

Required Supplementary Information
Schedule of Contributions
June 30, 2023
Last 10 Fiscal Years*

	Fiscal year ended June 30,	Actuarial Determined Contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contribution as a percentage of covered payroll
Noncontributory System						
	2014	\$ 376,272	\$ 376,272	\$ -	\$ 2,181,974	17.24%
	2015	410,152	410,152	-	2,234,890	18.35%
	2016	398,883	398,883	-	2,159,626	18.47%
	2017	422,199	422,199	-	2,295,957	18.39%
	2018	439,512	439,512	-	2,406,599	18.26%
	2019	456,481	456,481	-	2,485,898	18.36%
	2020	462,434	462,434	-	2,516,868	18.37%
	2021	468,326	468,326	-	2,540,626	18.43%
	2022	566,357	566,357	-	3,078,209	18.40%
	2023	538,775	538,775	-	3,000,567	17.96%
Public Safety System						
	2014	301,111	301,111	-	1,134,533	26.54%
	2015	272,932	272,932	-	1,138,990	23.96%
	2016	279,168	279,168	-	1,175,484	23.75%
	2017	284,450	284,450	-	1,190,696	23.89%
	2018	306,295	306,295	-	1,286,043	23.82%
	2019	332,460	332,460	-	1,286,651	25.84%
	2020	353,586	353,586	-	1,298,806	27.22%
	2021	370,789	370,789	-	1,359,194	27.28%
	2022	391,713	391,713	-	1,392,623	28.13%
	2023	440,334	440,334	-	1,545,484	28.49%
Firefighters System						
	2014	14,208	14,208	-	233,012	6.10%
	2015	18,440	18,440	-	279,810	6.59%
	2016	23,989	23,989	-	355,634	6.75%
	2017	26,859	26,859	-	403,277	6.66%
	2018	28,456	28,456	-	424,716	6.70%
	2019	30,989	30,989	-	429,077	7.22%
	2020	34,509	34,509	-	476,642	7.24%
	2021	36,503	36,503	-	504,181	7.24%
	2022	41,331	41,331	-	570,871	7.24%
	2023	38,457	38,457	-	617,091	6.23%
Tier 2 Public Employees System						
	2016	112,743	112,743	-	756,062	41.91%
	2017	156,900	156,900	-	1,052,316	44.91%
	2018	229,355	229,355	-	1,517,905	15.11%
	2019	251,427	251,427	-	1,618,073	15.54%
	2020	321,216	321,216	-	2,051,192	15.86%
	2021	390,267	290,267	-	2,471,484	15.79%
	2022	504,025	504,025	-	3,138,016	16.06%
	2023	636,624	636,624	-	3,976,367	16.01%
Tier 2 Public Safety and Firefighters System*						
	2014	30,095	30,095	-	214,501	14.03%
	2015	57,532	57,532	-	385,088	14.94%
	2016	112,743	112,743	-	756,062	14.91%
	2017	77,557	77,557	-	465,913	16.65%
	2018	127,672	127,672	-	773,055	16.52%
	2019	185,331	185,331	-	1,026,493	18.05%
	2020	216,163	216,163	-	1,234,416	17.51%
	2021	320,694	320,694	-	1,657,881	19.34%
	2022	428,285	428,285	-	2,194,570	19.52%
	2023	465,959	465,959	-	2,398,078	19.43%
Tier 2 Public Employees DC Only System*						
	2014	1,163	1,163	-	25,982	4.47%
	2015	2,254	2,254	-	52,502	4.29%
	2016	2,376	2,376	-	35,507	6.69%
	2017	3,517	3,517	-	52,577	6.69%
	2018	7,011	7,011	-	104,797	6.69%
	2019	13,925	13,925	-	208,148	6.69%
	2020	21,390	21,390	-	319,731	6.69%
	2021	28,863	28,863	-	430,494	6.70%
	2022	31,897	31,897	-	476,788	6.69%
	2023	39,629	39,629	-	640,212	6.19%
Tier 2 Public Safety and Fire Fighter DC Only System*						
	2014	-	-	-	-	-
	2015	-	-	-	-	-
	2016	-	-	-	-	-
	2017	-	-	-	-	-
	2018	-	-	-	-	-
	2019	1,137	1,137	-	11,676	9.74%
	2020	4,602	4,602	-	47,249	9.74%
	2021	9,102	9,102	-	115,367	7.89%
	2022	11,848	11,848	-	218,235	5.43%
	2023	12,811	12,811	-	285,778	4.48%

* Contributions in Tier 2 include an amortization rate to help the unfunded liabilities in the Tier 1 systems.

Tier 2 systems were created effective July 1, 2011.

** The amounts presented were determined for the Calendar year January 1-December 31. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF SARATOGA SPRINGS

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability

June 30, 2023

Last 10 Fiscal Years*

		Proportion of the net liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
	Fiscal Year					
Noncontributory System						
	2015	0.2635465%	\$ 1,144,381	\$ 2,236,578	51.20%	90.20%
	2016	0.2668688%	1,510,073	2,164,610	69.76%	87.80%
	2017	0.2917979%	1,873,700	2,353,876	79.60%	87.30%
	2018	0.2958139%	1,296,049	2,266,730	57.18%	91.90%
	2019	0.3162762%	2,328,971	2,433,749	95.69%	87.00%
	2020	0.3350093%	1,262,606	2,526,865	49.97%	93.70%
	2021	0.3430151%	175,947	2,458,606	7.16%	99.20%
	2022	0.3935716%	(2,254,027)	2,892,370	-77.93%	108.70%
	2023	0.4117115%	705,158	3,019,508	23.35%	97.50%
Public Safety System						
	2015	0.2635465%	574,927	1,140,839	50.40%	89.00%
	2016	1.3970959%	681,715	1,149,462	59.31%	87.60%
	2017	1.4915100%	929,654	1,235,277	75.26%	86.10%
	2018	1.5064946%	727,943	1,202,686	60.53%	90.50%
	2019	1.7780179%	1,401,071	1,287,130	108.85%	85.60%
	2020	1.8502266%	918,822	1,277,023	71.95%	91.70%
	2021	2.0000007%	719,065	1,345,049	53.46%	94.50%
	2022	2.0977891%	(751,262)	1,360,181	-55.23%	105.10%
	2023	2.0719538%	962,785	1,485,089	64.83%	93.70%
Firefighters retirement system						
	2015	0.3034621%	(33,395)	252,495	-13.20%	101.30%
	2016	0.3757619%	63,939	316,691	20.19%	98.10%
	2017	0.4743030%	70,158	410,102	17.11%	98.40%
	2018	0.4811169%	(107,932)	402,462	-26.82%	102.30%
	2019	0.5103655%	206,265	417,313	49.43%	96.10%
	2020	0.5488766%	(234,220)	451,447	-76.03%	105.80%
	2021	0.5959690%	(802,979)	491,949	-163.22%	112.00%
	2022	0.6530226%	(1,766,377)	534,527	-330.46%	122.90%
	2023	0.7163530%	(901,669)	587,191	-153.56%	110.30%
Tier 2 Public Employees Retirement System						
	2015	0.0561807%	(1,703)	275,889	-0.60%	103.50%
	2016	0.0886421%	(194)	572,836	-0.03%	100.20%
	2017	0.1129970%	12,605	926,665	1.36%	95.10%
	2018	0.1337068%	11,789	1,306,770	0.90%	97.40%
	2019	0.1257648%	53,862	1,470,210	3.66%	90.80%
	2020	0.1307647%	29,410	1,817,220	1.62%	96.50%
	2021	0.1438459%	20,689	2,299,270	0.90%	98.30%
	2022	14.4618300%	(61,208)	2,683,541	-2.28%	103.80%
	2023	0.1650519%	179,724	3,599,853	4.99%	92.30%
Tier 2 Public Safety and Firefighters retirement system						
	2015	0.5381763%	(7,961)	222,627	-3.60%	120.50%
	2016	0.4654713%	(6,801)	276,945	-2.46%	110.70%
	2017	0.5354597%	(4,648)	442,409	-1.05%	103.60%
	2018	0.5385951%	(6,232)	568,236	-1.10%	103.00%
	2019	0.7115034%	17,827	950,988	1.87%	95.60%
	2020	0.6651502%	62,567	1,096,302	5.71%	89.60%
	2021	0.6958170%	62,411	1,381,658	4.52%	93.10%
	2022	0.8373416%	(42,321)	2,002,406	-2.11%	102.80%
	2023	0.4954030%	62,530	2,306,183	2.71%	96.40%

* The amounts presented for each fiscal year were determined as of December 31. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF SARATOGA SPRINGS
Notes to Required Supplementary Information
For the year ended June 30, 2023

Change in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

A scenic landscape featuring a calm lake in the foreground with a wooden pier extending into it. In the middle ground, tall, golden-brown reeds or grasses frame the view. The background is dominated by a range of mountains with snow-capped peaks under a clear blue sky.

SUPPLEMENTARY INFORMATION

CITY OF SARATOGA SPRINGS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital improvements (other than those financed by proprietary funds.)

Community Development Fund – The special revenue fund accounts for all of the Saratoga Springs Community Development Agency.

CITY OF SARATOGA SPRINGS
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget to Actual
Capital Projects Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Intergovernmental	\$ 8,865,650	\$ 8,365,650	\$ 3,431,589	\$ (4,934,061)
Investment earnings	79,299	79,299	1,066,355	987,056
Impact fees	5,000,000	5,000,000	3,705,108	(1,294,892)
Miscellaneous	100,000	100,000	322,840	222,840
Total Revenues	14,044,949	13,544,949	8,525,892	(5,019,057)
EXPENDITURES				
General government	-	-	-	-
Public safety	738,422	764,600	-	764,600
Highways and public works	19,854,995	17,316,872	11,072,309	6,244,563
Parks and recreation	13,555,235	8,987,294	3,624,536	5,362,758
Capital expenditures	12,099,652	20,160,588	2,655,020	17,505,568
Debt service				
Principal retirement	805,615	830,615	674,900	155,715
Interest and fiscal charges	250,000	250,000	259,743	(9,743)
Total expenditures	47,303,919	48,309,969	18,286,508	30,023,461
Excess (deficit) of revenues over (under) expenditures	(33,258,970)	(34,765,020)	(9,760,616)	25,004,404
OTHER FINANCING SOURCES (USES)				
Transfers in	5,473,176	10,473,176	7,398,000	(3,075,176)
Transfers out	-	-	-	-
Total other financing sources (uses)	5,473,176	10,473,176	7,398,000	(3,075,176)
Net change in fund balance	(27,785,794)	(24,291,844)	(2,362,616)	21,929,228
Fund balances - beginning	22,269,277	22,269,277	22,269,277	-
Fund balances - ending	\$ (5,516,517)	\$ (2,022,567)	\$ 19,906,661	\$ 21,929,228

CITY OF SARATOGA SPRINGS
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget to Actual
Community Development Agency
 For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Intergovernmental	\$ 760,000	\$ 760,000	\$ 760,000	\$ -
Total revenues	<u>760,000</u>	<u>760,000</u>	<u>760,000</u>	<u>-</u>
EXPENDITURES				
Community Development	760,000	760,000	729,650	30,350
Total expenditures	<u>760,000</u>	<u>760,000</u>	<u>729,650</u>	<u>30,350</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>30,350</u>	<u>30,350</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	30,350	30,350
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>134,270</u>	<u>134,270</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,620</u>	<u>\$ 164,620</u>

**CITY OF SARATOGA SPRINGS
Combining Financial Statements
Nonmajor Proprietary Funds**

Garbage Collection Utility Fund – The Garbage Collection Utility Fund accounts for the collection and disposal of garbage for City residents.

Street Light Utility Fund – The Street Light Utility Fund accounts for the street light services of the City for its residents.

CITY OF SARATOGA SPRINGS
 Combining Statement of Net Position
Nonmajor Proprietary Funds
 June 30, 2023

	Garbage	Street Lights	Total
ASSETS			
Current assets:			
Cash and cash equivalents and investments	\$ 151,167	\$ 867,677	\$ 1,018,844
Accounts receivable - net	284,381	65,459	349,840
Due from other funds	-	63,710	63,710
Total current assets	<u>435,548</u>	<u>996,846</u>	<u>1,432,394</u>
Noncurrent assets:			
Capital Assets			
Equipment	-	145,503	145,503
Street light system	-	5,767,968	5,767,968
Less: Accumulated depreciation	-	(3,425,742)	(3,425,742)
Total capital assets	<u>-</u>	<u>2,487,729</u>	<u>2,487,729</u>
Total noncurrent assets	<u>-</u>	<u>2,487,729</u>	<u>2,487,729</u>
Total assets	<u>435,548</u>	<u>3,484,575</u>	<u>3,920,123</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related costs	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets & deferred outflows of resources	<u>\$ 435,548</u>	<u>\$ 3,484,575</u>	<u>\$ 3,920,123</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 15,612	\$ 10,548	\$ 26,160
Due to other funds	-	-	-
Unearned revenue	-	32,030	32,030
Total current liabilities	<u>15,612</u>	<u>42,578</u>	<u>58,190</u>
Noncurrent liabilities:			
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>15,612</u>	<u>42,578</u>	<u>58,190</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	-	2,487,729	2,487,729
Unrestricted	<u>419,936</u>	<u>954,268</u>	<u>1,374,204</u>
Total net Position	<u>419,936</u>	<u>3,441,997</u>	<u>3,861,933</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 435,548</u>	<u>\$ 3,484,575</u>	<u>\$ 3,920,123</u>

CITY OF SARATOGA SPRINGS
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Funds
 For the Year Ended June 30, 2023

	Garbage	Street Lights	Total
Operating revenues:			
Charges for services	\$ 2,688,811	\$ 614,820	\$ 3,303,631
Total operating revenues	<u>2,688,811</u>	<u>614,820</u>	<u>3,303,631</u>
Operating expenses:			
Personnel Services	-	80,210	80,210
Supplies and Maintenance	3,310	251,207	254,517
Administration	197,212	54,016	251,228
Treatment and sanitation	2,381,870	-	2,381,870
Depreciation	-	115,003	115,003
Total operating expenses	<u>2,582,392</u>	<u>500,436</u>	<u>3,082,828</u>
Operating income	<u>106,419</u>	<u>114,384</u>	<u>220,803</u>
Nonoperating revenues (expenses):			
Interest revenue	32,016	30,389	62,405
Total nonoperating revenues (expenses)	<u>32,016</u>	<u>30,389</u>	<u>62,405</u>
Net income (loss) before contributions and transfers	<u>138,435</u>	<u>144,773</u>	<u>283,208</u>
Contributions and transfers			
Contributions from developers	-	458,000	458,000
Total contributions and transfers	<u>-</u>	<u>458,000</u>	<u>458,000</u>
Change in net Position	138,435	602,773	741,208
Total net position - beginning	281,501	2,839,224	3,120,725
Total net position - ending	<u>\$ 419,936</u>	<u>\$ 3,441,997</u>	<u>\$ 3,861,933</u>

CITY OF SARATOGA SPRINGS
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2023

	Garbage	Street Lights	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 2,649,612	\$ 563,347	\$ 3,212,959
Payments to employees	-	(80,210)	(80,210)
Payments to suppliers	<u>(2,588,961)</u>	<u>(301,612)</u>	<u>(2,890,573)</u>
Net cash provided (used) by operating activities	<u>60,651</u>	<u>181,525</u>	<u>242,176</u>
Cash Flows From Noncapital Financing Activities			
Advance from other funds	-	-	-
Transfers Out	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Purchase of Capital Assets	-	-	-
Proceeds from the sale of assets	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities			
Interest and dividends received	32,016	30,389	62,405
Net cash provided (used) by investing and related financing activities	<u>32,016</u>	<u>30,389</u>	<u>62,405</u>
Net increase (decrease) in cash and cash equivalents	92,667	211,914	304,581
Cash and cash equivalents - beginning	<u>58,500</u>	<u>655,763</u>	<u>714,263</u>
Cash and cash equivalents - end	<u><u>\$ 151,167</u></u>	<u><u>\$ 867,677</u></u>	<u><u>\$ 1,018,844</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	<u>\$ 106,419</u>	<u>\$ 114,384</u>	<u>\$ 220,803</u>
Adjustments to reconcile operating income to net cash provided (used) by			
Depreciation expense	-	115,003	115,003
(Increase)/ decrease in accounts receivable	(39,199)	(19,793)	(58,992)
(Increase)/ decrease in due from other funds	-	-	-
(Increase)/ decrease in net pension asset	-	-	-
(Increase)/ decrease in deferred outflows	-	-	-
Increase/(decrease) in unearned revenues	-	(31,680)	(31,680)
Increase/(decrease) in net pension liability	-	-	-
Increase/(decrease) in deferred inflows	-	-	-
Increase/(decrease) in accounts payable	(6,569)	3,611	(2,958)
Increase/(decrease) in due to other funds			
Total adjustments	<u>(45,768)</u>	<u>67,141</u>	<u>21,373</u>
Net cash provided (used) by operating activities	<u><u>\$ 60,651</u></u>	<u><u>\$ 181,525</u></u>	<u><u>\$ 242,176</u></u>
Capital assets contributed by developers		\$ 458,000	\$ 458,000

STATISTICAL SECTION

The Statistical Section presents detailed comparative data to assist with understanding what the information in the financial statements, note disclosures, and required supplementary information express about the government's overall financial health.

Financial Trends

Those schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



Schedule 1
CITY OF SARATOGA SPRINGS, UTAH
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 74,598,446	\$ 73,222,615	\$ 86,379,952	\$ 84,573,253	\$ 99,816,127	\$ 110,194,198	\$ 109,105,129	\$ 116,588,211	\$ 140,369,369	\$ 161,969,706
Restricted	95,687								8,001,930	2,780,810
Unrestricted	15,320,390	17,070,401	16,492,718	17,926,208	8,084,211	3,464,154	19,198,919	30,761,886	24,708,023	31,560,054
Total Governmental Activities	\$ 90,014,523	\$ 90,293,016	\$ 102,872,670	\$ 102,499,461	\$ 107,900,338	\$ 113,658,352	\$ 128,304,048	\$ 147,350,097	\$ 173,079,322	\$ 196,310,570
Net Position	\$ 90,014,523	\$ 90,293,016	\$ 102,872,670	\$ 102,499,461	\$ 107,900,338	\$ 113,658,352	\$ 128,304,048	\$ 147,350,097	\$ 173,079,322	\$ 196,310,570
Business-Type Activities										
Net investment in capital assets	\$ 83,658,220	\$ 87,124,624	\$ 104,205,965	\$ 112,772,271	\$ 123,848,895	\$ 130,346,977	\$ 155,298,414	\$ 173,215,505	\$ 194,499,093	\$ 215,687,070
Restricted	-	2,814,571	2,787,320	-	-	-	-	9,311,973	9,311,973	2,395,190
Unrestricted	8,122,994	8,754,227	14,074,089	14,063,076	18,342,889	24,750,785	30,830,036	28,607,235	21,722,304	34,117,279
Total Business-Type Activities	\$ 91,781,214	\$ 98,693,422	\$ 121,067,374	\$ 126,835,347	\$ 142,191,784	\$ 155,097,762	\$ 186,128,450	\$ 211,134,713	\$ 225,533,370	\$ 252,199,539
Net Position	\$ 91,781,214	\$ 98,693,422	\$ 121,067,374	\$ 126,835,347	\$ 142,191,784	\$ 155,097,762	\$ 186,128,450	\$ 211,134,713	\$ 225,533,370	\$ 252,199,539
Primary Government										
Net investment in capital assets	\$ 158,256,666	\$ 160,347,239	\$ 190,585,917	\$ 197,345,524	\$ 223,665,022	\$ 240,541,175	\$ 264,403,543	\$ 289,803,716	\$ 334,868,462	\$ 377,656,776
Restricted	95,687	5,814,571	2,787,320					9,311,973	9,311,973	5,176,000
Unrestricted	23,443,384	25,824,628	30,566,807	31,989,284	26,427,100	28,214,939	50,028,955	59,369,121	54,432,257	65,677,333
Total Primary Government	\$ 181,795,737	\$ 191,986,438	\$ 223,940,044	\$ 229,334,808	\$ 250,092,122	\$ 268,756,114	\$ 314,432,498	\$ 358,484,810	\$ 398,612,692	\$ 448,510,109
Net Position	\$ 181,795,737	\$ 191,986,438	\$ 223,940,044	\$ 229,334,808	\$ 250,092,122	\$ 268,756,114	\$ 314,432,498	\$ 358,484,810	\$ 398,612,692	\$ 448,510,109

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

Schedule 2

CITY OF SARATOGA SPRINGS, UTAH

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 2,171,825	\$ 2,096,762	\$ 2,462,795	\$ 2,740,131	\$ 2,454,741	\$ 2,787,352	\$ 3,493,773	\$ 3,287,711	\$ 3,406,761	\$ 3,939,098
Public Safety	5,018,488	5,240,399	6,012,919	6,654,993	7,398,839	8,379,318	9,167,799	10,352,752	11,853,314	12,188,986
Highways and Public Improvements	2,666,666	5,384,522	5,966,661	5,850,964	6,463,171	5,829,164	6,556,569	8,221,400	6,995,902	7,090,891
Parks and Recreation	2,635,964	2,701,630	2,023,421	3,532,875	3,351,597	4,156,484	4,618,654	6,584,555	7,089,330	8,973,034
Community Development								238,844	696,886	729,650
Interest on Long-Term Debt	142,332	137,882	133,171	392,392	726,526	571,051	429,622	358,760	346,684	331,385
Total Governmental Activities	12,635,275	15,561,195	16,598,967	19,171,355	20,394,874	21,723,369	24,266,417	29,044,022	30,388,877	33,253,044
Business-Type Activities:										
Water Utility	5,001,698	5,477,856	6,353,950	7,828,265	8,902,476	9,484,321	10,080,829	10,518,219	22,184,280	16,315,045
Sewer Utility	3,005,658	3,244,648	4,203,587	3,541,052	4,989,823	4,888,210	5,303,150	5,831,784	6,304,872	7,273,841
Garbage Utility	1,028,024	1,080,662	1,059,777	1,171,046	1,557,791	1,518,045	1,746,278	2,090,946	2,014,465	2,582,392
Storm Drain Utility	880,773	908,198	901,351	954,935	1,303,165	1,324,079	1,581,290	2,498,172	2,042,977	3,054,484
Street Lighting				-	477,347	323,199	431,539	493,929	500,436	
Total Business-Type Activities	9,916,153	10,711,364	12,518,665	13,495,298	16,753,255	17,692,002	19,034,746	21,370,660	33,040,523	29,726,198
Total Primary Government Expenses	\$ 22,551,428	\$ 26,272,559	\$ 29,117,632	\$ 32,666,653	\$ 37,148,129	\$ 39,415,371	\$ 43,301,163	\$ 50,414,682	\$ 63,429,400	\$ 62,979,242
Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 2,778,204	\$ 3,379,235	\$ 4,985,982	\$ 257,321	\$ 254,635	\$ 223,274	\$ 253,021	\$ 301,230	\$ 312,340	\$ 733,059
Public Safety	\$ 1,101,415	\$ 1,214,388	\$ 1,372,884	\$ 5,175,558	\$ 6,008,513	\$ 6,743,052	\$ 9,850,079	\$ 12,662,170	\$ 12,416,938	\$ 9,691,535
Highways & Public Improvements	\$ 1,105,971	\$ 1,541,709	\$ 1,641,262	\$ 285,091	\$ 346,534	\$ 196,987	\$ 223,305	\$ 213,640	\$ 53,123	\$ 49,747
Parks & Recreation	\$ 652,831	\$ 2,519,097	\$ 2,555,462	\$ 415,750	\$ 450,249	\$ 531,525	\$ 493,681	\$ 813,532	\$ 949,677	\$ 1,090,207
Operating Grants and Contributions	123,870	764,283	239,028	242,108	98,790	114,655	184,054	370,525	923,577	987,807
Capital Grants and Contributions	2,502,760	1,545,870	10,796,710	6,756,688	10,431,394	9,393,472	16,142,169	20,172,435	24,548,249	22,468,685
Total Governmental Activities	8,265,051	10,964,582	21,591,328	13,132,516	17,590,115	17,202,965	27,146,309	34,533,532	39,203,904	35,021,040
Business-Type Activities:										
Charges for Services										
Water Utility	5,976,789	6,512,923	10,473,751	7,934,650	9,707,208	9,112,844	9,084,610	10,630,176	10,291,844	11,562,202
Sewer Utility	2,720,120	3,047,088	4,675,210	4,255,070	5,342,114	5,252,833	5,091,969	5,639,087	6,123,334	6,955,895
Garbage Utility	893,984	641,802	961,029	1,203,403	1,488,613	1,362,947	1,512,900	1,716,697	2,166,862	2,720,827
Storm Drain Utility	579,827	913,322	958,500	755,522	1,335,382	1,216,128	975,497	1,033,431	1,180,070	1,496,588
Street Lighting					360,270	404,398	430,613	510,806	645,209	
Capital Grants and Contributions	3,070,714	6,587,528	17,769,209	5,152,013	13,322,518	14,445,356	32,641,062	28,380,741	25,524,868	33,011,646
Total Business-Type Activities	13,241,434	17,702,663	34,837,699	19,300,658	31,195,835	31,750,378	49,710,436	47,830,745	45,797,784	56,392,367
Total Primary Government Revenues	\$ 21,506,485	\$ 28,667,245	\$ 56,429,027	\$ 32,433,174	\$ 48,785,950	\$ 48,953,343	\$ 76,856,745	\$ 82,364,277	\$ 85,001,688	\$ 91,413,407

Schedule 2, Continued

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (4,370,224)	\$ (4,596,613)	\$ 4,992,361	\$ (6,038,839)	\$ (2,804,759)	\$ (4,520,403)	\$ 2,879,892	\$ 5,489,510	\$ 8,815,027	\$ 1,767,996
Business-Type Activities	3,325,281	6,991,299	22,319,034	5,805,360	14,442,580	14,058,376	30,675,690	26,460,085	12,757,261	26,666,169
Total Primary Government Net Expense	\$ (1,044,943)	\$ 2,394,686	\$ 27,311,395	\$ (233,479)	\$ 11,637,821	\$ 9,537,973	\$ 33,555,582	\$ 31,949,595	\$ 21,572,288	\$ 28,434,165
Expenses										
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	2,686,612	2,844,496	2,969,689	2,849,626	3,154,305	3,555,528	4,277,816	4,329,318	4,923,713	5,394,820
Sales and Use Taxes	2,653,278	2,939,653	3,215,928	3,639,272	4,146,681	4,708,384	5,954,505	7,306,384	9,457,461	11,070,081
Franchise Fees	221,085	207,142	212,144	227,184	223,363	205,177	190,220	164,979	170,266	185,550
Energy Taxes	870,992	877,695	953,656	1,003,254	1,067,046	1,097,410	1,187,128	1,998,451	2,430,027	3,031,148
Interest Earnings	74,332	89,800	137,752	107,325	528,098	663,435	511,135	244,031	(92,500)	2,042,993
Gain on Sale of Capital Assets		15,799	8,043	183,719				127,240	25,231	(261,340)
Transfers	-	-	37,387	-	(913,857)	48,483	(355,000)	(613,864)	-	-
Total Governmental Activities	6,506,299	6,974,585	7,534,599	8,010,380	8,205,636	10,278,417	11,765,804	13,556,539	16,914,198	21,463,252
Business-Type Activities:										
Interest Earnings	56,267	109,205	92,225	463,620	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	1,414,719	-
Transfers	-	-	(37,387)	-	913,857	(48,483)	355,000	613,864	-	-
Total Business-Type Activities	56,267	109,205	54,838	463,620	913,857	(48,483)	355,000	613,864	1,414,719	-
Total Primary Government										
General Revenue	6,562,566	7,083,790	7,589,437	8,474,000	9,119,493	10,229,934	12,120,804	14,170,403	18,328,917	21,463,252
Change in Net Position										
Governmental Activities	\$ 2,136,075	\$ 2,377,972	\$ 12,579,654	\$ 2,023,294	\$ 5,400,877	\$ 5,758,014	\$ 14,645,696	\$ 19,046,049	\$ 25,729,225	\$ 23,231,248
Business-Type Activities	3,381,548	7,100,504	22,373,953	5,767,973	15,356,437	14,009,893	31,030,690	27,073,949	14,171,980	26,666,169
Total Primary Government	\$ 5,517,623	\$ 9,478,476	\$ 34,953,607	\$ 7,791,267	\$ 20,757,314	\$ 19,767,907	\$ 45,676,386	\$ 46,119,998	\$ 39,901,205	\$ 49,897,417

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

Schedule 3**CITY OF SARATOGA SPRINGS, UTAH****Fund Balances of Governmental Funds****Last Ten Fiscal Years****(modified accrual basis of accounting)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Unassigned	2,068,425	2,989,076	2,768,845	3,662,232	4,588,582	6,098,269	9,301,808	9,300,623	9,743,721	12,423,269
All other governmental funds										
Nonspendable - prepaid expenses	737				120,000					
Restricted										
Capital project funds										
General fund	95,687									
Committed										
Capital project funds	11,783,336	13,435,477	12,492,157	25,395,322	15,497,215	9,990,176	11,433,513	22,491,870	22,269,277	18,511,617
Assigned										
Debt Service				5,926,731	2,681,248	1,610,508		71,156	134,270	
Community Development										164,620
Street lighting				431,449						
Total all other governmental Funds	\$ 11,879,760	\$ 13,435,477	\$ 12,492,157	\$ 31,753,502	\$ 18,298,463	\$ 11,600,684	\$ 11,433,513	\$ 22,563,026	\$ 22,403,547	\$ 18,676,237

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

(1) Difference from prior year is revenues exceeded expenditures to increase unassigned fund balance and in the Committed capital projects fund we bonded for funds for parks projects.

Schedule 4**CITY OF SARATOGA SPRINGS, UTAH****CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS****Last Ten Fiscal Years**

(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues											
Taxes	\$ 5,988,153	\$ 6,320,529	\$ 6,692,613	\$ 7,141,996	\$ 7,719,336	\$ 8,591,396	\$ 9,566,499	\$ 11,439,153	\$ 13,835,661	\$ 17,022,852	\$ 19,621,204
Licenses and Permits	648,974	583,374	749,910	1,231,004	1,267,524	1,440,007	1,360,909	1,893,642	3,269,807	3,499,165	1,898,591
Intergovernmental	844,483	2,626,630	2,310,153	1,114,882	1,463,080	1,255,756	1,552,581	3,258,249	3,434,009	6,247,339	7,471,090
Fees/Charges for Services	6,545,780	4,975,201	7,429,506	8,699,519	4,787,332	5,593,339	5,978,648	9,642,354	8,454,174	9,691,899	7,450,583
Fines & Forfeitures			427,554	514,587	480,309	456,796	505,381	435,075	384,368	449,703	518,833
Developer Contributions						-	-	-	-	-	-
Interest Earnings	89,897	74,332	89,800	190,746	289,201	528,099	663,435	511,135	244,031	(92,500)	2,042,992
Impact Fees					2,912,619	3,360,807	2,676,903	4,119,847	6,409,858	5,389,584	3,705,108
Other	81,909	79,846	47,459	110,180	101,372	346,534	30,845	76,265	257,096	91,311	783,780
Total Revenues	\$ 14,199,196	\$ 14,659,912	\$ 17,746,995	\$ 19,002,914	\$ 19,020,773	\$ 21,572,734	\$ 22,335,201	\$ 31,375,720	\$ 36,289,004	\$ 42,299,353	\$ 43,492,181
Expenditures											
General Government	2,294,465	2,118,559	2,266,424	2,345,329	2,462,576	2,287,597	2,541,928	3,358,672	3,211,765	4,080,965	3,990,399
Public Safety	5,392,426	5,295,083	5,724,366	6,276,346	6,554,146	8,113,915	11,958,418	12,175,918	10,072,574	11,908,916	12,584,985
Highways and Public Improvements	2,521,683	1,589,359	2,003,657	4,959,389	1,442,102	4,310,738	1,720,616	2,336,804	3,402,068	10,159,834	13,813,778
Parks and Recreation	953,329	1,379,264	2,777,486	3,961,206	2,501,142	8,842,946	6,654,564	3,078,358	4,830,473	12,065,143	8,145,857
Community Development									238,844	696,886	729,650
Capital Expenditures	4,135,524	2,339,204	2,319,328	1,310,587	4,916,714	12,198,330	1,523,760	2,827,328	1,906,676	2,655,020	
Debt Service:											
Principal Retirement				165,000	922,000	1,012,000	4,986,000	841,429	855,024	879,900	
Interest & Fiscal Charges				241,318	767,873	593,838	532,650	367,065	371,360	345,310	
Capital Lease Payments	533,463	129,099	155,000	160,000				-	-	-	-
Developer Reimbursement						1,066,279	-	-	-	-	
Bond Issuance Costs and Trustee Fees	291,800	292,332	137,882	133,171	197,504		-	-	-	-	
Total Expenditures	\$ 11,987,166	\$ 14,939,220	\$ 15,404,019	\$ 20,154,769	\$ 14,874,375	\$ 30,161,783	\$ 37,745,973	\$ 27,992,162	\$ 25,791,546	\$ 42,044,804	\$ 43,144,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,212,030	\$ (279,308)	\$ 2,342,976	\$ (1,151,855)	\$ 4,146,398	\$ (8,589,049)	\$ (15,410,772)	\$ 3,383,558	\$ 10,497,458	\$ 254,549	\$ 347,282
Other Financing Sources (Uses)											
Proceeds From Obligations Under Capital Leases	211,322	120,119	8,043			11,978	-	1,066,916	-	-	-
Developer Reimbursement						(3,545,575)	-	-	-	-	-
Bond Proceeds		15,799		15,399,427			-	-	-	-	-
Bond Premium						-	-	-	-	-	-
Proceeds From Sales of Capital Assets	51,352			183,719			7,810	177,818	29,070	-	-
Transfers In	2,428,616	2,231,485	1,344,074	3,621,247	2,372,046	2,450,242	3,040,448	4,837,753	10,551,200	10,473,176	7,398,000
Transfers Out	(2,428,616)	(2,231,485)	(1,344,074)	(3,583,860)	(2,334,659)	(2,844,307)	(2,991,965)	(5,192,753)	(11,165,064)	(10,473,176)	(7,398,000)
Total Other Financing Sources (Uses)	\$ 51,352	\$ 211,322	\$ 135,918	\$ 45,430	\$ 15,620,533	\$ (3,939,640)	\$ 60,461	\$ (347,190)	\$ 630,870	\$ 29,070	\$ -
Net Change in Fund Balances	\$ 2,263,382	\$ (67,986)	\$ 2,478,894	\$ (1,106,425)	\$ 19,766,931	\$ (12,528,689)	\$ (15,350,311)	\$ 3,036,368	\$ 11,128,328	\$ 283,619	\$ 347,282

Ratio of Total Debt Service
**Expenditures to total non capital
expenditures** 7.4% 4.1% 2.3% 1.7% 4.7% 7.2% 11.7% 26.3% 5.4% 4.9% 4.7%

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

Schedule 5**CITY OF SARATOGA SPRINGS, UTAH****Governmental Activities Tax Revenues by Source****Last TEN Fiscal Years****(modified accrual basis of accounting)**

Fiscal Year	Sales				Total
	Property Tax	and Use Tax	Franchise Fees	Energy Taxes	
2014	2,686,612	2,653,278	221,085	870,992	6,431,967
2015	2,844,496	2,939,652	207,142	877,695	6,868,985
2016	2,668,123	2,939,653	212,143	953,656	6,773,575
2017	2,649,626	3,639,272	227,184	1,003,254	7,519,336
2018	2,643,303	4,146,681	223,362	1,019,126	8,034,490
2019	3,555,528	4,708,384	205,177	1,097,410	9,566,499
2020	3,632,061	5,498,198	190,220	1,595,598	10,916,077
2021	3,699,663	6,520,646	157,999	1,978,840	12,357,147
2022	4,382,201	8,428,562	163,008	2,316,564	15,290,336
2023	5,334,425	11,070,081	185,550	3,031,148	19,621,204

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

Schedule 6**CITY OF SARATOGA SPRINGS, UTAH****Assessed Value of Taxable Property Excluding Fee-In-Lieu****Last Ten Calendar Years****(modified accrual basis of accounting)**

Calendar Year	Residential Property	Commercial Property	Miscellaneous Property	Total Assessed Value	Total Taxable Assessed Value
2013	625,910,515	90,163,478	115,855,901	831,929,894	818,244,896
2014	826,502,262	111,913,600	122,397,289	1,060,813,151	969,656,009
2015	842,160,029	91,446,400	139,318,209	1,072,924,638	1,065,166,371
2016	999,046,165	97,612,900	161,893,154	1,258,552,219	1,206,364,927
2017	1,181,544,415	121,605,600	213,810,120	1,516,960,135	1,502,170,172
2018	1,367,830,802	149,607,200	259,689,568	1,747,776,365	1,800,541,461
2019	1,635,832,232	189,540,592	320,784,687	2,146,157,511	2,206,687,827
2020	1,913,958,653	232,681,750	487,048,285	2,633,688,688	2,702,426,064
2021	2,290,014,340	266,266,648	553,782,411	3,110,063,399	3,188,222,249
2022	3,492,499,921	345,537,536	827,074,193	4,665,111,650	4,749,098,723

Source: Utah State Tax Commission and Utah County Treasurer

Schedule 7**CITY OF SARATOGA SPRINGS, UTAH****Assessed Value of Taxable Property Including Fee-In-Lieu****Last Ten Calendar Years****(modified accrual basis of accounting)**

Calendar Year	Residential Property	Commerical Property	Miscellaneous Property	Fee-In-Lieu Value	Total Assessed Value
2013	625,910,515	90,163,478	115,855,901	15,136,367	847,066,261
2014	826,505,262	111,913,600	131,237,187	15,728,392	969,656,099
2015	892,160,029	91,446,400	139,318,209	15,640,297	1,155,908,456
2016	999,046,165	97,612,900	161,893,154	16,309,114	1,296,364,927
2017	1,181,544,415	121,605,600	213,810,120	18,375,999	1,535,336,134
2018	1,367,830,802	149,607,200	259,689,568	20,093,297	1,820,634,758
2019	1,635,832,232	189,540,592	320,784,687	20,895,397	2,227,583,224
2020	1,913,958,653	232,681,750	487,048,285	20,550,078	2,722,976,142
2021	2,290,014,340	266,266,648	553,782,411	22,412,331	3,210,634,580
2022	3,492,499,921	345,537,536	827,074,193	5,977,984	4,771,463,631

Source: Utah State Tax Commission

Schedule 8**CITY OF SARATOGA SPRINGS, UTAH****TAXABLE SALES BY CATEGORY****Last Five Calendar Years****Calendar Year**

	2018	2019	2020	2021	2022
Retail Trade	\$ 194,756,492	\$ 232,941,810	\$ 352,616,468	\$ 496,217,688	\$ 595,109,624
Accommodation and Food Services	70,000	38,875,044	46,183,192	55,428,651	70,143,244
Utilities	16,500	16,750	19,250,000	22,250,000	27,750,000
Information	9,420,083	10,513,027	12,642,585	16,652,509	19,509,162
Wholesale Trade	6,273,824	7,264,164	14,083,186	24,557,855	27,185,729
Motor Vehicle Sales Tax	11,000,000	12,000,000	15,500,000	23,500,000	23,250,000
Other Services (except Public Administration)	8,309,872	10,139,654	10,992,444	13,567,580	18,187,702
Miscellaneous	10,119,962	15,998,428	17,690,778	21,230,758	40,471,954
All others	20,697,314	18,462,494	30,717,275	37,255,646	44,064,547
Total	\$ 260,664,047	\$ 346,211,371	\$ 519,675,928	\$ 710,660,687	\$ 865,671,962

City direct sales tax rate

2.20%

2.20%

2.20%

2.20%

2.20%

Source: Utah State Tax Commission website: Wasatch Front Zip Code Taxable Sales by Major Industry

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

Schedule 9**CITY OF SARATOGA SPRINGS, UTAH****Direct and Overlapping Property Tax Rates****Last Ten Calendar Years****(rate per \$1,000 of assessed value)**

Calendar Year	Overlapping Rates						Total	
	City Direct	Utah County	Local Assessment	State Assessment/Collecting	Cent Ut	Alpine School District	Levy for Saratoga Springs Residents	
	Rate	Levy	Levy	Collecting	Levy			
2014	0.002233	0.000916	0.000220	0.000013	0.000422	0.008096	0.011900	
2015	0.002083	0.000870	0.000216	0.000012	0.000405	0.008177	0.011763	
2016	0.001994	0.000834	0.000025	0.000190	0.000400	0.007718	0.011161	
2017	0.001822	0.000779	0.000180	0.000010	0.000400	0.007167	0.010358	
2018	0.001731	0.000732	0.000170	0.000009	0.000400	0.007033	0.010075	
2019	0.001570	0.000672	0.000158	0.000009	0.000400	0.006699	0.009508	
2020	0.001446	0.001041	0.000149	0.000012	0.000400	0.006800	0.009848	
2021	0.001359	0.000853	0.000142	0.000012	0.000400	0.006904	0.009670	
2022	0.001028	0.000661	0.000111	0.000015	0.000400	0.005724	0.007939	
2023	0.001043	0.000656	0.000110	0.000015	0.000400	0.005518	0.007742	

Source: Utah County Assessors Office

Note: Table represents data available since implementation of GASB Statement 44

Schedule 10**CITY OF SARATOGA SPRINGS, UTAH****Direct and Overlapping Sales Tax Rate****Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	Utah County	State of Utah	Total
2014	1.80	0.25	4.70	6.75
2015	1.80	0.25	4.70	6.75
2016	1.80	0.25	4.70	6.75
2017	1.80	0.25	4.70	6.75
2018	1.80	0.25	4.70	6.75
2019	2.05	0.25	4.85	7.15
2020	2.05	0.25	4.85	7.15
2021	2.05	0.25	4.85	7.15
2022	2.05	0.25	4.85	7.15
2023	2.05	0.25	4.85	7.15

Source: Utah State Tax Commission

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

Schedule 11**CITY OF SARATOGA SPRINGS, UTAH****City Tax Revenue Collected by Utah County****Last Ten Calendar Years**

Tax Year End 12/31	Total		Treasurer's Relief (1)	Net Taxes Assessed	Current Collections	Delinquent, Personal Property, and Misc. Collections (2)	Total Collections	% of Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed (3)
	Taxes Levied								
2013	2,300,968		151,612	2,149,356	2,149,356	226,980	2,376,336	100.00%	110.56%
2014	2,888,902		156,192	2,732,710	2,132,709	193,021	2,325,730	78.04%	85.11%
2015	2,409,970		111,248	2,298,722	2,292,722	142,890	2,435,612	99.74%	105.96%
2016	2,586,315		162,703	2,423,612	2,423,612	103,163	2,526,775	100.00%	104.26%
2017	2,840,276		196,973	2,643,303	2,643,303	490,547	3,133,850	100.00%	118.56%
2018	3,118,867		231,874	2,886,993	2,886,993	642,906	3,529,900	100.00%	122.27%
2019	3,468,549		204,623	3,263,926	3,263,926	824,771	4,088,696	100.00%	125.27%
2020	3,911,332		331,893	3,579,440	3,579,440	694,665	4,274,104	100.00%	119.41%
2021	4,336,148		278,207	4,057,941	4,057,941	930,350	4,988,291	100.00%	122.93%
2022	4,895,894		317,550	4,578,343	4,578,343	819,241	5,397,584	100.00%	117.89%

Source: Utah County Treasurer

Note: Table represents data available since implementation of GASB Statement 44, and will increase to ten years over time

(1) "Treasurer's Relief" includes abatements. These "Treasurer's Relief" items are levied against the property, but are never collected and paid to the City.

(2) "Delinquent, Personal Property, and Miscellaneous Collections" include interest, sales of real and personal property, and miscellaneous delinquent collections.

(3) Due to collections of Delinquent, Personal Property, Miscellaneous, and interest from prior years, collections may exceed 100%.

Schedule 12

CITY OF SARATOGA SPRINGS, UTAH

Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)			
	Sales Tax Revenue Bonds		Special Assessment Bonds	Water Interim Warrant Certificate		Water Revenue Bonds	Sewer Revenue Bonds	Special Assessment Bonds	Culinary Water System Contract Payable						
	Sales Tax Revenue Bonds	Special Assessment Bonds	Capital Leases	Water Interim Warrant Certificate	Water Revenue Bonds	Sewer Revenue Bonds	Special Assessment Bonds	Water System Contract Payable	Capital Leases						
2013	3,835,270		349,923		4,634,000		2,898,500	13,946,960	17,267	25,681,920	4.58%	1,212			
2014	3,565,000		376,227	(12)	4,340,000		2,110,000	13,334,960	6,325	23,732,512	5.20%	1,193			
2015	3,410,000		373,755		9,995,000	(13)	1,957,000	12,658,960	4,612	28,399,327	5.77%	1,166			
2016	3,250,000		219,583		9,575,000		1,837,000	11,526,540	2,983	26,411,106	5.12%	1,180			
2017	12,865,000	(15)	5,300,000	(14)	108,543		18,855,000	(14)	1,515,000	10,365,660	1,120	49,010,323	7.42%	2,085	
2018	12,365,000		4,878,000		17,360		18,265,000	10,069,929	(16)	1,375,000	8,779,750	-	55,750,039	7.97%	2,359
2019	12,088,794		4,416,000		-		17,948,888	9,894,670		1,264,000	7,723,750	-	53,336,102	7.62%	2,256
2020	11,503,583		-	-			17,092,181	9,693,822		1,002,000	5,858,770	-	45,150,356	6.13%	1,923
2021	10,898,372		0		815,488		16,220,482	9,194,152		731,000	5,330,955	-	43,190,449	5.13%	1,709
2022	10,273,161				570,464		15,328,783	8,773,893		545,000	3,055,333	-	38,546,634	4.20%	1,423
2023	9,627,950				320,564		14,412,078	8,338,632		475,000	2,099,083	-	35,273,307	3.27%	1,292

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) The City issued Water Revenue Bonds Series 2004 for \$2,244,000 in fiscal year 2004.

(3) The City entered into a capital lease agreement for office building for \$1,343,410 in fiscal year 2005.

(4) The City issued Water Revenue Bonds Series 2006 for \$3,500,000 in fiscal year 2006, but had drawn only \$600,000 by June 30,2006.

(5) The City entered into a contract to pay \$21,000,000 for the purchase of an existing water system. There is no interest on the debt.

Principal payments are made for each new culinary water connection sold by the City.

(6) The City entered into capital lease agreements for a dump truck, a street sweeper, an ambulance, and police vehicles for \$625,000 in fiscal year 2007.

(7) The City issued an Interim Warrant Certificate for \$6,000,000 in fiscal year 2007, but had drawn only \$2,675,534 as of June 30,2007.

(8) The City drew the remaining \$2,900,000 of the Water Revenue Bonds Series 2006.

(9) The City issued Special Assessment Bonds Series 2009 for \$4,669,539 and retired the Interim Warrant Certificate in fiscal year 2010.

(10) The City issued Sales Tax Revenue Bonds Series 2011 for \$4,000,000 and retired the lease on the office building in fiscal year 2011.

(11) The City issued Special Assessment Bonds Series 2012 for \$3,114,374 and retired the Special Assessment Bonds Series 2009 in fiscal year 2012.

(12) The City Entered into capital lease agreements for police vehicles for \$211,322 in fiscal year 2014.

(13) The City entered into capital lease agreements for police vehicles for \$120,000 and issued water revenue bond \$9,995,000 retrin all issues of water bonds, in fiscal year 2015.

(14) The City issued Water Revenue Bonds for \$9,710,000 and Special Assessment Bonds for \$5,300,000 in 2016

(15) The City issued Sales Tax Revenue Bonds for \$9,780,000 in 2017

(16) The City issued Sewer Revenue Bonds for \$9,970,000 in 2018

Schedule 13
City of Saratoga Springs
Legal Debt Margin Information
Last Ten Calendar Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 40,873,471	\$ 46,402,900	\$ 46,192,426	\$ 60,067,207	\$ 63,029,814	\$ 72,021,658	\$ 88,267,513	\$ 108,097,043	\$ 127,528,890	\$ 189,963,949
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 40,873,471	\$ 46,402,900	\$ 46,192,426	\$ 60,067,207	\$ 63,029,814	\$ 72,021,658	\$ 88,267,513	\$ 108,097,043	\$ 127,528,890	\$ 189,963,949
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Utah County Treasurer

Notes: Under Utah State Law, the City of Saratoga Springs' outstanding debt should not exceed 4 percent of total assessed property value.
The general obligation debt subject to the limitaion may be offset by resources set aside for the repayment of the principal that are externally restricted.

Schedule 14

CITY OF SARATOGA SPRINGS, UTAH

Direct and Overlapping Governmental Activities Debt

As of June 30 2023

Government Unit	Debt Outstanding	Estimated %	Estimated Share of Overlapping Debt
Alpine School District	\$ 621,114,667	5%	\$ 31,055,733
CUWCD	655,512,196	3%	19,665,366
Subtotal, Overlapping debt	1,276,626,863	8%	50,721,099
Saratoga Springs Direct Debt	9,627,950		9,627,950
Total Direct and overlapping debt	\$ 1,286,254,813		\$ 60,349,049

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Saratoga Springs. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. (1) Includes only long-term general obligation debt being repaid through general property taxes. (2)The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by dividing the City's taxable assessed value by each overlapping unit's total taxable assessed value.

Central Utah Water Conservancy District's (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding ad valorum tax bonds. CUWCD is located in multiple counties. Overlapping debt is based solely on the portion of value within City boundaries. Source: Utah State Auditor, Utah State Tax Commission

Schedule 15

City of Saratoga Springs
Pledged-Revenue Coverage
Last Ten Fiscal Years

2011 Sales Tax Bond & 2017 Sales Tax Bond				2012 Special Assessment Bond						2014 Water Revenue Bond & 2016 Water Revenue Bond									
Debt Service				Debt Service						Debt Service									
Sales Tax Revenues				Operating	Net Available				Operating	Net Available				Operating	Net Available				
	Principal	Interest	Coverage	SID Fees	Expenses	Revenue	Principal	Interest	Coverage	Water Revenues	Expenses	Revenue	Principal	Interest	Coverage				
2013 \$ 2,360,543.79	\$ 145,000	\$ 144,300	8.2	\$ 713,047.12	\$ 35,682.99	\$ 677,364.13	\$ 157,374.34	\$ 23,357.81	3.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2014 \$ 2,653,278.10	\$ 150,000	\$ 139,950	9.2	\$ 339,994.97	\$ 36,320.56	\$ 303,674.41	\$ 159,000.00	\$ 25,134.50	1.6	\$ 4,084,565	\$ 1,782,803.17	\$ 2,301,762.10	N/A	N/A	N/A	N/A	N/A	N/A	
2015 \$ 2,939,652.89	\$ 155,000	\$ 135,450	10.1	\$ 248,540.78	\$ 10,310.00	\$ 238,230.78	\$ 160,000.00	\$ 28,819.40	1.3	\$ 4,874,198	\$ 1,960,760.27	\$ 2,913,437.67	\$ -	\$ 158,291	18.4				
2016 \$ 3,215,928.54	\$ 160,000	\$ 130,800	11.1	\$ 297,185.17	\$ 13,828.00	\$ 283,357.17	\$ 162,000.00	\$ 35,613.00	1.4	\$ 6,778,818	\$ 2,470,413.59	\$ 4,308,404.68	\$ 420,000	\$ 272,425	6.2				
2017 \$ 3,639,272.01	\$ 165,000	\$ 126,000	12.5	\$ 372,019.65	\$ 9,098.00	\$ 362,921.65	\$ 164,000.00	\$ 37,387.60	1.8	\$ 6,234,326	\$ 2,649,500.57	\$ 3,584,825.20	\$ 430,000	\$ 263,925	5.2				
2018 \$ 4,146,681.00	\$ 500,000	\$ 463,058	4.3	\$ 166,047.31	\$ 1,750.00	\$ 164,297.31	\$ 140,000.00	\$ 47,646.64	0.9	\$ 7,593,872	\$ 4,333,689.00	\$ 3,260,183.00	\$ 590,000	\$ 572,474	2.8				
2019 \$ 4,708,384.00	\$ 570,000	\$ 391,826	4.9	\$ 310,206.94	\$ 11,560.00	\$ 298,646.94	\$ 114,000.00	\$ 45,718.00	1.9	\$ 8,752,694	\$ 5,544,595.34	\$ 3,208,098.93	\$ 835,000	\$ 548,726	2.3				
2020 \$ 5,954,505.00	\$ 590,000	\$ 576,588	5.1	\$ 198,631.65	\$ 9,126.46	\$ 189,505.19	\$ 98,000.00	\$ 36,639.00	1.4	\$ 6,650,177	\$ 5,623,941.50	\$ 1,026,235.60	\$ 850,000	\$ 534,976	0.7				
2021 \$ 7,306,384.00	\$ 610,000	\$ 353,276	7.6	\$ 260,391.15	\$ 7,512.00	\$ 252,879.15	\$ 81,000.00	\$ 34,287.00	2.2	\$ 7,702,975	\$ 5,401,350.00	\$ 2,301,625.00	\$ 870,000	\$ 513,901	1.7				
2022 \$ 9,457,461.00	\$ 630,000	\$ 334,476	9.8	\$ 200,615.53	\$ 2,928.00	\$ 197,687.53	\$ 70,000.00	\$ 21,423.00	2.2	\$ 7,864,248	\$ 6,084,584.85	\$ 1,779,663.15	\$ 895,000	\$ 489,324	1.3				
2023 \$ 11,070,081.00	\$ 645,000	\$ 315,064	11.5	\$ 91,444.20	\$ 5,784.00	\$ 85,660.20	\$ 72,000.00	\$ 19,393.00	0.9	\$ 9,223,718	\$ 6,266,299.70	\$ 2,957,418.44	\$ 920,000	\$ 460,425	2.1				
2018 Sewer Revenue Bonds				Debt Service						Debt Service									
Sewer Revenues				Operating	Net Available				Operating	Net Available				Operating	Net Available				
	Sever Revenues	Operating	Net Available	Principal	Interest	Coverage			Principal	Interest	Coverage			Principal	Interest	Coverage			
2013 N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A	N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A
2014 N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A	N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A
2015 N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A	N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A
2016 N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A	N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A
2017 N/A	N/A	N/A	N/A	N/A	N/A	N/A			N/A	N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A
2018 \$ 4,741,279	\$ 1,568,774	\$ 3,172,505		N/A	N/A	N/A			N/A	N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A
2019 \$ 6,903,388	\$ 3,453,713	\$ 3,449,675		\$ 285,000	\$ 312,114	5.8													
2020 \$ 5,026,521	\$ 3,469,080	\$ 1,557,441		\$ 405,000	\$ 303,562	2.2													
2021 \$ 5,645,166	\$ 3,578,312	\$ 2,066,854		\$ 415,000	\$ 291,412	2.9													
2022 \$ 6,182,636	\$ 4,116,074	\$ 2,066,562		\$ 430,000	\$ 278,962	2.9													
2023 \$ 7,033,644	\$ 4,722,089	\$ 2,311,555		\$ 440,000	\$ 266,062	3.3													

Source: City Finance Department

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Water and Sewer Revenues includes investment earnings, charges for services, and impact fees. Operating expenses do not include interest.

Schedule 16**CITY OF SARATOGA SPRINGS, UTAH****Demographic Statistics**

Census:	City of		Per		Median	Unemployment
	Year	Saratoga Springs	Personal Income	Capita Income		
2005	11,241	\$ 277,225,542	\$ 24,662	24.8	2.90	
2006	13,039	340,213,588	26,092	25.2	2.50	
2007	14,788	399,497,820	27,015	25.6	3.40	
2008	16,516	419,572,464	25,404	25.9	7.30	
2009	17,781	447,032,121	25,141	26.1	7.90	
2010	18,299	474,366,480	25,923	22.6	6.50	
2011	21,137	583,888,488	27,624	22.6	5.50	
2012	23,207	532,104,777	22,929	24.2	3.60	
2013	24,356	492,234,760	20,210	24.3	3.40	
2014	26,652	515,863,728	20,210	24.1	3.20	
2015	27,763	613,201,381	21,070	24.6	3.00	
2016	28,121	660,865,127	23,501	22.1	3.90	
2017	29,608	699,853,104	23,637	20.0	3.90	
2018	29,608	699,853,104	23,637	19.2	3.90	
2019	31,393	737,013,461	23,477	18.0	2.90	
2020	33,282	841,202,550	25,275	20.3	2.70	
2021	37,166	916,919,281	27,086	22.6	2.60	
2022	44,164	1,080,040,040	27,297	22.0	2.90	
2023	49,354	1,685,027,483	28,514	21.7	2.90	

Source: U.S. Census Bureau, State of Utah

Notes: (1) Percentages for Utah County

Schedule 17**CITY OF SARATOGA SPRINGS, UTAH****PRINCIPAL EMPLOYERS****Current and 10 years ago**2023

Employer	Employees	Rank
Alpine School District	1000-1499	1
City Of Saratoga Springs	500-999	2
Walmart	250-499	3
Costco Wholesale	250-499	3
Smith's Food And Drug Centers	250-499	3
Lakeview Academy	100-249	4
Alpine School District	100-249	4
CMC Rock	50-99	5
Mc Donald's	50-99	5
Chili's	50-99	5
Costa Vida	50-99	5
Little Scholars Preschool	50-99	5
Dean Fluor	50-99	5
Exile II	50-99	5
ABC Great Beginnings	50-99	5
Intermountain Health Care	50-99	5
VASA Fitness	50-99	5
Mountain Sunrise Academy	50-99	5
Beans and Brews	20-49	6
Cafe Rio	20-49	6

2013

Employer	Employees	Rank
Walmart	350-500	1
Alpine School District	250-350	2
Smith's Food & Drug	100-120	3
City of Saratoga Springs	90-120	4
Vivint/ARM Security	40-60	5
Lakeview Academy	40-60	5
Little Caesars	20-40	6
JP Morgan Chase Bank	20-40	6
Del Taco	20-40	6
Walgreens	20-40	6

Schedule 18**CITY OF SARATOGA SPRINGS****Full-time Equivalent City Government Employees by Function****Last Ten Fiscal Years**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government											
Administration	7.5	8.5	8.2	10.0	7.7	7.3	9.0	8.2	9.8	11.1	12.9
Attorney	1.5	2.5	2.1	2.9	3.1	3.1	3.1	3.0	3.5	3.4	4.4
Planning	3.0	3.5	3.7	4.6	5.4	5.1	5.6	6.3	5.5	6.3	8.5
Courts	2.4	3.0	2.0	3.0	2.5	2.0	2.3	1.8	1.1	1.2	0.9
Public Safety											
Police (1)	36.0	34.5	37.9	42.0	47.0	50.9	53.9	50.4	47.8	54.5	46.7
Fire	22.5	16.0	23.3	17.5	20.0	21.3	23.0	32.8	38.1	45.9	38.7
Building inspection	4.0	5.0	5.0	8.6	8.7	8.7	10.1	9.3	9.0	9.3	10.6
Public Works											
Public Works	2.4	6.0	4.0	5.5	5.4	5.5	6.3	6.8	7.1	6.1	9.9
Engineering	7.7	6.5	5.1	5.0	4.0	4.0	4.0	4.8	3.0	3.8	3.5
Highways and streets	2.0	4.0	4.3	7.0	10.8	8.0	9.0	7.3	9.2	6.5	8.5
Water	5.0	5.5	8.0	8.8	9.4	10.0	12.9	12.1	13.1	13.9	15.1
Sewer	3.0	3.0	2.5	2.8	1.7	2.8	2.8	3.3	3.4	3.2	2.3
Parks and recreation	8.8	2.5	11.7	16.53	21.21	18.4	23.8	19.6	19.6	19.4	18.8
Other						24.13	25.6	21.3	17.1	18.5	22.0
Total	105.8	100.5	117.77	134.23	147.1	146.9	191.4	186.8	187.1	203.1	202.7

Source: City Finance Department

Notes: The City of Saratoga Springs is a growing, developing municipality.

(1) The City contracted to provide police services to the City of Bluffdale starting with the 2010-2011 fiscal year.

Schedule 19

CITY OF SARATOGA SPRINGS, UTAH
OPERATION INDICATORS BY FUNCTION
Current Year

	<u>2023</u>
Fire Protection	
Number of Full-time employees	30
Number of Part-time employees	16
Fire Calls for Service	881
Medical Calls for Service	1241
Police Protection	
Number of Officers- Saratoga Springs	34
Number of Officers- Bluffdale	16
Police calls for service- Saratoga Springs	21,266
Police calls for service- Bluffdale	11,468
Municipal Water Services	
Number of connections	14,806
Gallons billed	5,068,905
Municipal Sewer Services	
Number of connections	14,806
Municipal Refuse Services	
Number of first cans	11,681
Number of second cans	3,733
Number of recycle cans	11,550
Business Licenses	
Number of licenses issued	587
Building and Construction	
Number of building permits issued	1,478
Number of residential units- single family	508
Number of residential units- multi-family	386
Parks & Recreation	
Number of Basketball Participants	2,245
Number of Football Participants	435
Number of Soccer	4,862
Number of Baseball	2,633
Number of Fishing	30
Number of Camps/Tournaments	1,553
Number of Tennis	227
Number of Golf	-
Number of Volleyball	864
Number of Pickleball	257
Number of Track/Cross Country	203

Source: City Departments

Schedule 20**CITY OF SARATOGA SPRINGS, UTAH****CAPITAL ASSETS BY FUNCTION****Current Year**

2023

Streets

Number of lane miles	318.4
Number of street lights	3,045

Fire Protection

Number of Stations	2
Number of hydrants	2,374
Number of fire pumping vehicles	3

Police Protection

Number of stations	1
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Education

Number of high schools	1
Number of junior high schools	2
Number of elementary schools	7

Municipal Water Facilities

Miles of water mains	407.4
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Municipal Sewer Facilities

Miles of sewer mains	180
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Parks & Recreation

Number of parks	31
Park and open space acreage	316

Source: City Departments

Schedule 21

CITY OF SARATOGA SPRINGS CITY UTAH

Five Year Financial Summaries

Last Five Fiscal Years

	Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
ASSETS					
Cash and Investments	\$52,796,592	\$69,366,009	\$68,627,169	\$66,418,601	\$89,366,567
Receivables (not of allowances for uncollectables)	2,451,124	4,437,753	4,061,014	4,365,540	4,978,153
Prepaid and inventories			200		
Deferred charges					
Restricted cash and investments	7,086,454	2,862,129	20,164,677	20,994,248	3,842,342
Due from other funds					
Due from other governmental units	3,213,403	3,668,622	4,026,492	4,646,643	5,035,646
Speical Assessment Receivable	3,149,206		343,220	802,980	4,875,193
Pension assets					901,669
Capital assets					
Land	26,373,788	27,376,707	27,376,707	32,717,269	32,766,685
Water Rights	18,498,848	21,026,348	21,945,947	23,729,353	23,729,353
Construction in progress	9,623,342	14,283,250	3,624,532	19,407,946	28,831,580
Capital assets not of accumulated depreciation					
Buildings and systems	6,265,925	14,665,356	14,686,484	15,118,144	15,118,144
Improvements other than buildings	8,995,345	9,820,140	11,561,798	12,740,589	13,589,571
Machinery and equipment	321,063,329	352,175,855	398,841,608	433,873,850	480,919,938
Infrastructure	(118,463,931)	(132,607,108)	(147,781,811)	(164,168,716)	(180,772,675)
Deferred outflows of resources					
Pension related deferred outflows	3,071,841	2,110,452	2,349,554	2,643,592	3,337,720
Total Assets and deferred Outflows	<u><u>\$344,125,266</u></u>	<u><u>\$389,528,733</u></u>	<u><u>\$430,287,351</u></u>	<u><u>\$477,362,252</u></u>	<u><u>\$521,644,693</u></u>
LIABILITIES					
Accounts Payable	\$4,659,044	\$5,084,655	\$1,950,113	\$4,250,773	\$7,664,676
Accrued interest payable	190,681	105,485	107,919	93,022	89,417
Due to other funds	525,393	609,609	1,117,477	924,452	
Deposits	8,704,959	16,316,796	16,981,729	11,434,184	12,471,556
Unearned revenue				11,969,472	9,211,167
Nonconcurrent Liability					
Net pension Liability					
Due or payable within one year	3,681,043	3,360,878	3,426,108	3,790,672	3,212,964
Due or payable after one year	54,207,564	44,613,482	41,500,582	35,687,040	35,301,599
Total Liabilities	<u><u>\$71,968,684</u></u>	<u><u>\$70,090,905</u></u>	<u><u>\$65,083,928</u></u>	<u><u>\$68,149,615</u></u>	<u><u>\$67,951,379</u></u>
Deferred inflows of resources					
Pension related deferred inflows	\$187,065	\$1,336,708	\$2,692,121	\$6,065,801	\$147,559
Property tax levied for future years	3,213,403	3,668,622	4,026,492	4,534,143	5,035,647
Total deferred inflow of resources					5,183,206.00
NET POSITION					
Net investment in capital assets	240,541,175	264,403,543	289,803,716	334,868,462	377,656,776
Restricted for debt service					
Restricted for capital improvements					
Restricted for roads					
Restricted for impact fees				17,313,903	17,313,903
Restricted for Net pension assets					4,274,331
Unrestricted	28,214,939	50,028,955	51,367,191	46,430,327	65,677,333
Total net position	<u><u>272,156,582</u></u>	<u><u>319,437,828</u></u>	<u><u>365,203,423</u></u>	<u><u>409,212,636</u></u>	<u><u>448,510,109</u></u>
Total liabilities, deferred inflows and net position	<u><u>\$344,125,266</u></u>	<u><u>\$389,528,733</u></u>	<u><u>\$430,287,351</u></u>	<u><u>\$477,362,251</u></u>	<u><u>\$521,644,694</u></u>

Source: Information extracted from the City's general purpose financial statements for the included years.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Honorable Mayor and Members of the City Council
City of Saratoga Springs
Saratoga Springs, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saratoga Springs (the City), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 20, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Saratoga Springs's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control which might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert & Stewart

GILBERT & STEWART, CPA PC

Provo, Utah

November 20, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

Honorable Mayor and Members of the City Council
City of Saratoga Springs
Saratoga Springs, Utah

Report on Compliance

We have audited the City of Saratoga Springs' (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Fraud Risk Assessment
Government Fees
Restricted Taxes and Related Revenues
Impact Fees
Open and Public Meeting Act

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, the City of Saratoga Springs complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guide and which are described in our letter to management dated October 31, 2023 as item 2023-1 and 2023-2. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the Cities response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The Cities response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Gilbert & Stewart

GILBERT & STEWART, CPA PC

Provo, Utah

November 20, 2023

