

COMPREHENSIVE
ANNUAL FINANCIAL REPORT



CITY OF SARATOGA SPRINGS, UTAH
FISCAL YEAR ENDED JUNE 30, 2020

CITY OF SARATOGA SPRINGS, UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

FOR FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY:
FINANCE DEPARTMENT

THE CITY OF SARATOGA SPRINGS
Table of Contents

Page

INTRODUCTORY SECTION

Transmittal Letter.....	1-4
Principal Officials	5
Organization Chart.....	6
Certificate of Achievement for Excellence in Financial Reporting	7

FINANCIAL SECTION

Independent Auditor's Report.....	9-10
Management Discussion and Analysis.....	11-24
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	26
Statement of Activities.....	27
Governmental Funds Statements	
Balance Sheet.....	28
Balance Sheet Reconciliation to Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	30
Statement of Changes Reconciliation to Statement of Activities.....	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund – Budget and Actual	32
Proprietary Funds Statements	
Statement of Net Position.....	33
Statement of Revenues, Expenses, and Changes in Fund Net Position	34
Statement of Cash Flows.....	35
Notes to the Basic Financial Statements	
Note 1 – Summary of Significant Accounting Policies	36-41
Note 2 – Deposits and Investments	42-44
Note 3 – Accounts Receivable – Unearned Revenue.....	44
Note 4 – Capital Assets	45-46
Note 5 – Compensated Absences	46
Note 6 – Retirement Plans.....	46-56
Note 7 – Interfund Transfers	56-57
Note 8 – Contingent Liabilities	57
Note 9 – Construction Commitments.....	57
Note 10 – Risk Management.....	57
Note 11 – Long-term Debt	58-63
Note 12 – Subsequent Events.....	63

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Expenditures of the Proportionate Share of Net Pension Liability of the Utah State Retirement System	65
Schedule of Contributions to the Utah State Retirement System	66
Notes to Required Supplementary Information	67

THE CITY OF SARATOGA SPRINGS
Table of Contents - Continued

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual Special Service Area – Debt Service	70
Schedule of Rev, Expend, and Changes in Fund Balance Capital Projects Fund.....	71
Combining Statement of Net Position Nonmajor Proprietary Funds	72
Combining Statement of Revs, Expenses, Changes in Fund Net Position Nonmajor Proprietary Funds ..	73
Combining Statement of Cash Flows Nonmajor Proprietary Funds	74

STATISTICAL SECTION

Schedule 1 – Net Position by Component	77
Schedule 2 – Changes in Net Position.....	78-79
Schedule 3 – Fund Balances of Governmental Funds	80
Schedule 4 – Changes in Fund Balances of Governmental Funds	81
Schedule 5 – Governmental Activities Tax Revenues by Source.....	82
Schedule 6 – Assessed Value of Taxable Property Excluding Fee-In-Lieu	83
Schedule 7 – Assessed Value of Taxable Property Including Fee-In-Lieu	84
Schedule 8 – Taxable Sales by Category.....	85
Schedule 9 – Direct and Overlapping Property Tax Rates	86
Schedule 10 – Direct and Overlapping Sales Tax Rate	87
Schedule 11 – City Tax Revenue Collected by Utah County.....	88
Schedule 12 – Outstanding Debt by Type	89
Schedule 13 – Legal Debt Margin Information	90
Schedule 14 – Direct and Overlapping Governmental Activities Debt.....	91
Schedule 15 – Pledged-Revenue Coverage	92
Schedule 16 – Demographic and Economic Statistics.....	93
Schedule 17 – Principal Employers.....	94
Schedule 18 – Full-time Equivalent City Government Employees by Function.....	95
Schedule 19 – Operation Indicators by Function.....	96
Schedule 20 – Capital Assets by Function	97
Schedule 21 – Five-Year Financial Summaries.....	98

INTERNAL CONTROL AND COMPLIANCE REPORTS

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	99
Report on Auditor’s Report on Compliance and Report of Internal Control over Compliance as required by the State Compliance Audit Guide.....	101

INTRODUCTORY SECTION



CITY OF SARATOGA SPRINGS

December 1, 2020

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, 2020.

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, 2018, 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, 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, a quiet and rural atmosphere, 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 33,282 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
Redwood Road Betterments	\$0.8 million	Improvements to Redwood Road
Public Works Building Expansion	\$0.8 million	Expansion to the Public works facility to provide the space needed.

Water Generator Project	\$0.5 million	Generator project for the water systems.
N1D Trunk Riverside to Crossing	\$1.6 million	Sewer project, construction in progress.
Purchase of Water Rights	\$2.5 million	Water Rights
Gravity Sewer Outfall	\$7.2 million	Sewer Gravity Outfall, construction in progress.
Public Safety Building	\$7.3 million	Police and court facility, completed December 2019.

Awards and Acknowledgements

The City of Saratoga Springs received the Distinguished Budget Presentation Award from the Government Finance Officer's Association (GFOA) for the City's adopted budget beginning for the periods beginning July 1, 2011-2020,. 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 2012-2018 and 2019. In order to qualify for the award, the staff must prepare comprehensive annual 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, Suite 200
Saratoga Springs, Utah 84045
801-766-9793

MAYOR AND CITY COUNCIL AS OF JUNE 30, 2019

Mayor Jim Miller

Email: jmiller@saratogaspringscity.com

Term: 01/2018 - 01/2022

Council Member Ryan Poduska

Email: rpoduska@saratogaspringscity.com

Term: 01/2020 - 01/2024

Council Member Michael McOmber

Email: mmcomber@saratogaspringscity.com

Term: 01/2018 - 01/2022

Council Member Christopher Carn

Email: CCarn@saratogaspringscity.com

Term: 01/2020 - 01/2024

Council Member Stephen Willden

Email: swillden@saratogaspringscity.com

Term: 01/2018 - 01/2022

Council Member Christopher Porter

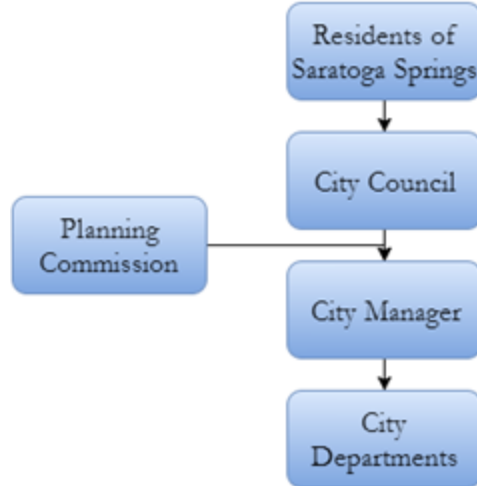
Email: cporter@saratogaspringscity.com

Term: 01/2020 - 01/2024

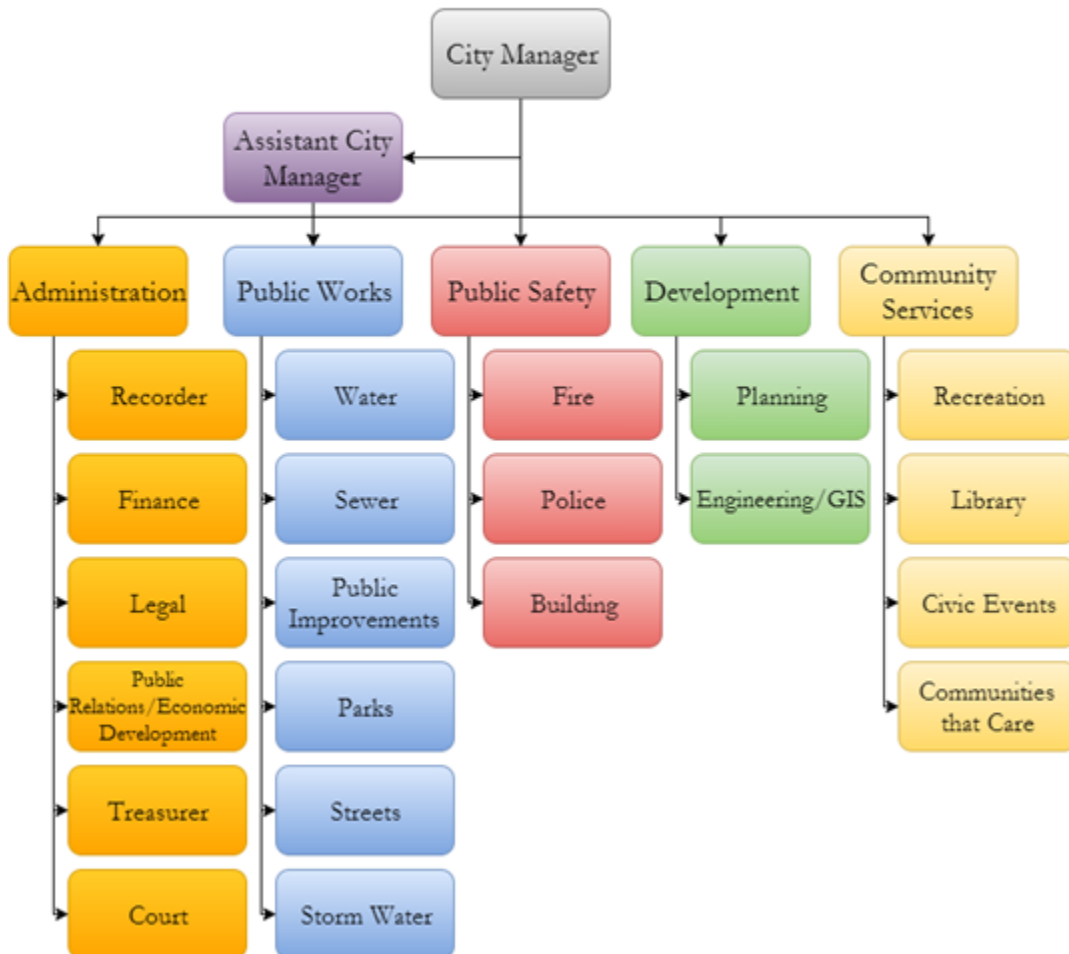
CITY OF SARATOGA SPRINGS, UTAH

ORGANIZATIONAL CHARTS FY2020

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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

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

Report on the Basic Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020 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.

Other Matters

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 and Other 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 introductory section, supplemental information, and the statistical section are presented for purposes of additional analysis and are not a required part of the 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2020 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 12, 2020

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020

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, 2020. 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 (the amount by which assets exceed liabilities) as of June 30, 2020, were \$314,432,498. Of this amount, \$50,028,955 (unrestricted net position) is available to meet ongoing financial obligations. Deferred outflows of resources was \$2,110,452 and deferred inflows of resources was \$5,005,330 as of June 30, 2020.
- The City's government-wide net position increased by \$45,676,384. Of this amount, business-type activities increased by \$31,030,688, a 20.0 percent increase, and the governmental activities increased by \$14,645,696 an increase of 12.9 percent when compared to last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$20,735,321, an increase of \$3,036,368 (17.2 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 an increase in fund balances due to expenditures for capital projects and unassigned. Of the combined total fund balance, \$9,301,808 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, 2020, totaled \$9,301,808 and is 40.1 percent of the General Fund total revenues for the year and 44.9 percent of total governmental fund balance.
- The City's total debt had a net decrease of \$9,914,256 during fiscal year 2020. This represents a 191.8 percent decrease over the prior year, this is a result from required debt service payments in combination with the payoff of the 2016 Special Assessment Bond.

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, 2020

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 29 and 31. 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 26-29 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 32, 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, 2020

- ***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 33-35 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, 2020

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, 2020 and 2019.

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

	Governmental		Business-Type		Total		Total %
	Activities		Activities				
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$ 45.5	\$ 34.4	\$ 35.2	\$ 34.3	\$ 80.7	\$ 68.7	17.5%
Capital assets	120.6	111.0	186.1	161.4	306.7	272.4	12.6%
	<hr/>		<hr/>		<hr/>		<hr/>
Total Assets	\$ 166.1	\$ 145.4	\$ 221.3	\$ 195.7	\$ 387.4	\$ 341.1	13.6%
Deferred Outflow of Resources	1.8	2.7	0.3	0.4	2.1	3.1	-32.3%
Long-Term liabilities	13.3	19.2	31.4	35.0	44.7	54.2	-17.6%
Other liabilities	21.5	11.8	3.9	6.0	25.4	17.8	42.7%
Total liabilities	34.8	31.0	35.3	41.0	70.1	72.0	-2.7%
	<hr/>		<hr/>		<hr/>		<hr/>
Deferred Inflows of Resources	4.8	3.4	0.2	0.0	5.0	3.4	47.1%
	<hr/>		<hr/>		<hr/>		<hr/>
Net Position							
Net investment							
In capital assets	109.1	110.2	155.3	130.3	264.4	240.5	10.0%
Unrestricted	19.2	3.5	30.8	24.8	50.0	28.3	76.7%
Total net Position	128.3	113.7	186.1	155.1	314.4	268.8	17.0%
	<hr/>		<hr/>		<hr/>		<hr/>
Total liabilities, deferred inflows of resources and net position	\$ 167.9	\$ 148.1	\$ 221.6	\$ 196.1	\$ 389.5	\$ 344.2	13.2%
	<hr/>		<hr/>		<hr/>		<hr/>

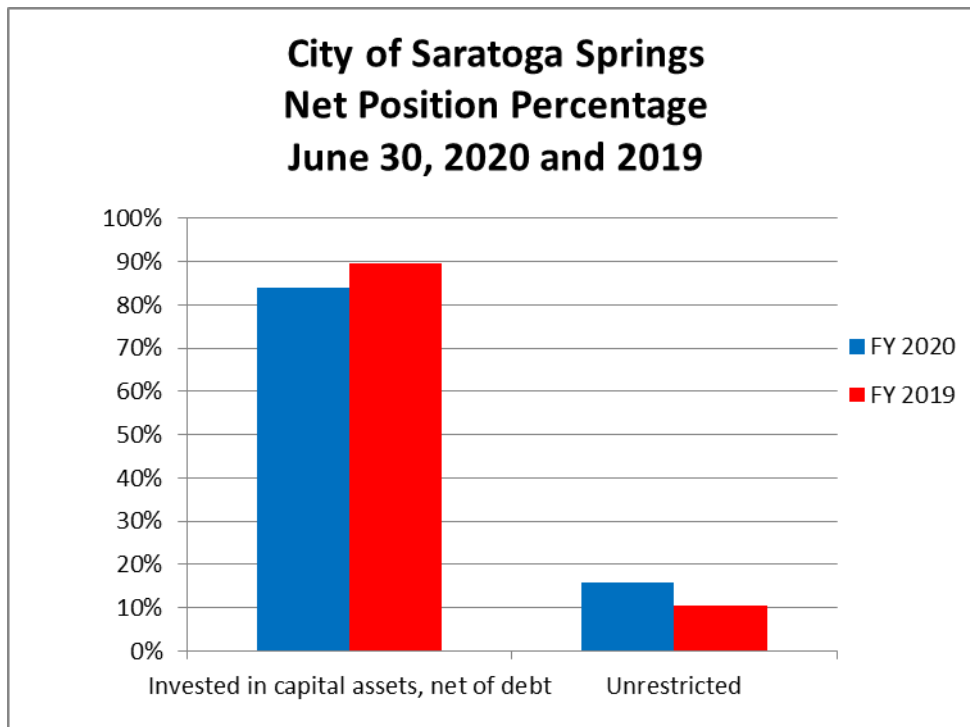
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2020, the City's assets exceeded liabilities by approximately \$314.4 million (net position) compared to \$268.8 million at June 30, 2019. This would indicate an improved financial position in comparison to last fiscal year. Roughly 84.1 percent at June 30, 2020, and 89.5 percent at June 30, 2019, 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 \$23.9 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 \$50.0 million at June 30, 2020 and \$28.3 million at June 30, 2019, which is unrestricted, indicates that this amount may be used to meet

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020

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, 2020

Changes in Net position – As taken from the Statement of Activities, the following table signifies the changes in net position for fiscal years 2020 and 2019.

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

	Governmental		Business-Type		Total		Total %
	Activities		Activities				
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Change</u>
Revenues							
Program Revenues							
Charges for Services	\$ 10.8	\$ 7.7	\$ 17.1	\$ 17.3	\$ 27.9	\$ 25.0	11.6%
Operating grants and contributions	0.2	0.1	-	-	0.2	0.1	100.0%
Capital grants and contributions	16.1	9.4	32.6	14.4	48.7	23.8	104.7%
General Revenues							
Property Tax	4.3	3.6	-	-	4.3	3.6	19.5%
Other Taxes	7.3	6.0	-	-	7.3	6.0	21.7%
Investment earnings	0.5	0.7	-	-	0.5	0.7	-28.6%
Total Revenues	39.2	27.5	49.7	31.7	88.9	59.2	50.2%
Transfers	-0.3		0.3				
Expenses							
General government	3.5	2.8	-	-	3.5	2.8	25.0%
Public safety	9.2	8.4	-	-	9.2	8.4	9.6%
Highways and public improvements	6.6	5.8	-	-	6.6	5.8	13.8%
Parks and recreation	4.6	4.1	-	-	4.6	4.1	12.2%
Interest on long-term debt	0.4	0.6	-	-	0.4	0.6	-33.4%
Water utility		-	10.1	9.5	10.1	9.5	6.4%
Sewer utility		-	5.3	4.9	5.3	4.9	8.2%
Storm drain utility		-	1.7	1.3	1.7	1.3	30.8%
Garbage		-	1.6	1.5	1.6	1.5	6.7%
Street Lights		-	0.3	0.5	0.3	0.5	-40.0%
Total Expenses	24.3	21.7	19.0	17.7	43.3	39.4	9.9%
Excess or deficiency before transfers							
Change in net position	14.6	5.8	31.0	14.0	45.6	19.8	130.3%
Net position beginning							7.5%
	113.7	107.9	155.1	142.2	268.8	250.1	
Net Position as restated		-	-	-1.1	-	-1.1	100%
Net position ending	\$ 128.3	113.7	\$ 186.1	155.1	\$ 314.4	\$ 268.8	17.0%

Net position increased from governmental activities in fiscal year 2020 approximately \$14.6 million and increased \$5.8 million in fiscal year 2019. The increase is primarily due to increases in general government revenue, primarily in taxes (both property and sales). Expenses for governmental activities were higher with a \$0.7 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, 2020

Net position increased \$31.0 million in fiscal year 2020 and increased \$14.0 million in 2019 for business-type activities. The revenues for business-type activities increased in and capital grants and developer contributions.

Revenues – For the year ended June 30, 2020, the City’s government-wide revenues are approximately \$88.9 million as compared to the prior year total revenues of \$59.2 million. Key elements of this change were as follows:

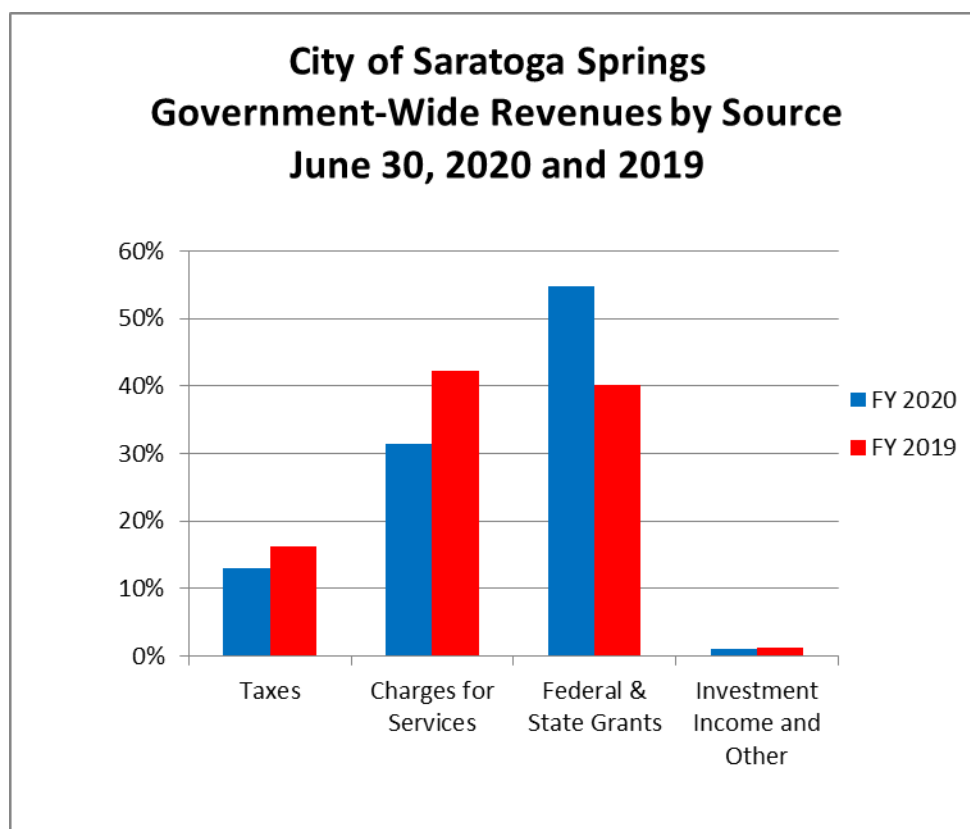
Of the City’s total revenues, about 13.1 percent in fiscal year 2019 and 16.2 percent in fiscal year 2019 resulted from taxes (under half of which is from property taxes) as shown in the following table:

City of Saratoga Springs
(in millions of dollars)

	Government wide		
	Tax Revenues		<u>Total %</u>
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Property tax	\$ 4.3	\$ 3.6	19.5%
General sales and use tax	6.0	4.7	27.7%
Franchise fees	0.2	0.2	-
Energy Tax	1.1	1.1	-
Total	\$ 11.6	\$ 9.6	60.5%

- Charges for services increased by \$2.9 million in fiscal year 2020 and was 31.4 percent of total revenues in fiscal year 2020 from 42.2 percent in fiscal year 2019. 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 combined increased slightly in fiscal year 2020. This was due to slightly more operating grant revenues received in public safety.
- Investment and other income, which is a combination of interest earnings and gain on the sale of capital assets decreased in fiscal year 2020 by \$0.2 million due to the decrease in interest rates.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020



Expenses – The City’s government-wide total expenses cover a range of services. For the year ended June 30, 2020, the City’s total expenses are \$43.3 million compared to the prior year of \$39.4 million. Of the \$3.9 million increase, general government expenses increased \$0.7 million, public safety increased \$0.8 million, highways and public improvements increased \$0.8 million, parks and recreation increased \$0.5 million, interest on long-term debt decreased \$0.2 million, and business-type activities increased by \$1.3 million.

Governmental Activities:

Revenue Highlights:

- Taxes encompass a sizable source of revenue for the City’s governmental activities: Roughly \$11.6 million or 29.9 percent in fiscal year 2020 and \$9.6 million or 34.9 percent in fiscal year 2019 of total revenues from governmental activities. The \$2.0 million increase is majorly from property and other taxes.
- Charges for services increased to \$10.8 million or 27.8 percent of total revenues from governmental activities in fiscal year 2020 from \$7.7 million or 28.0 percent of total governmental activities revenues in fiscal year 2019. The increase in fiscal year 2020 is a result increased charges for services in public safety being collected due to the Bluffdale Services Contract, in addition to overall increased revenue from charges from services mainly development fees and ambulance service revenue.
- Grant and contribution revenue denotes approximately \$16.1 million or 41.4 percent in fiscal year 2020 and \$9.5 million or 34.5 percent in fiscal year 2019 of total revenues from governmental

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020

activities. The \$6.7 million increase was the effect of more developer contributions contributions received in highways and public works as compared to last fiscal year.

Expense Highlights:

- General government expenses of around \$3.5 million in fiscal year 2020 and \$2.8 million in fiscal year 2019 represented 14.4 percent in fiscal year 2020 and 12.9 percent in fiscal year 2019 of total expenses from governmental activities. General government includes: Legislative, Administration, Utility billing, Treasury, Recorder, Attorney, Justice Court, Elections, and non-departmental. The \$0.7 million increase is due mainly due to an increase in personnel cost from new positions.
- Public safety expenses were \$9.2 million or 37.9 percent in fiscal year 2020 and \$8.4 million or 38.7 percent in fiscal year 2019. The expenses are higher due to increased personnel costs from new positions in conjunction with a new pay plan.
- Highways and public improvements were \$6.6 million or 27.2 percent in fiscal year 2020 and \$5.8 million or 26.7 percent in fiscal year 2019. The \$0.8 million increase is due to increased personnel added to departments in conjunction with the pay plan.
- Parks and recreation expenses were \$4.6 million or 19.0 percent in fiscal year 2020 and \$4.1 million or 18.9 percent in fiscal year 2019. The \$0.5 million increase is due to more capital projects and personnel costs.

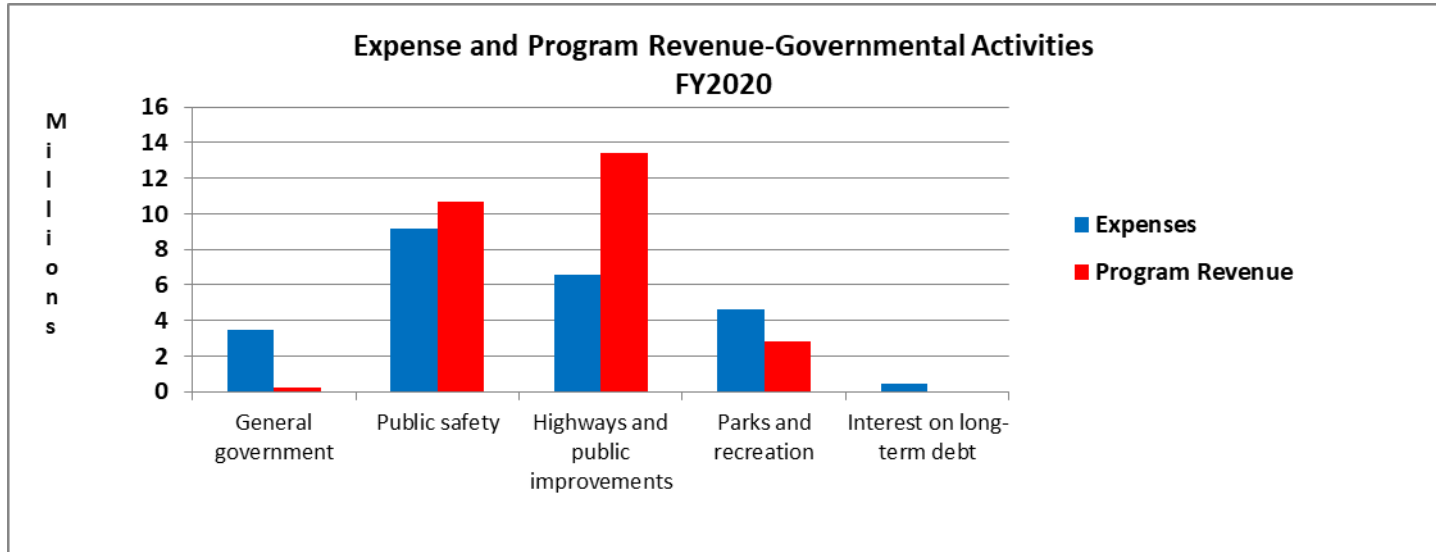
As a result, total net expenses that were funded by general revenues were \$0.0 million. Tax revenues of \$11.6 million were sufficient to fund net expenses in fiscal year 2020.

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 %
	2020	2019	2020	2019	Change
General government	\$ 3.5	\$ 2.8	\$ (3.2)	\$ (2.5)	13.6%
Public safety	9.2	8.4	1.5	(1.1)	83.3%
Highways and public improvements	6.6	5.8	6.8	1.9	-13.6%
Parks and recreation	4.6	4.1	(1.8)	(2.2)	46.7%
Interest on long-term debt	0.4	0.6	(0.4)	(0.6)	-14.3%
Total	\$ 24.3	\$ 21.7	\$ 2.9	\$ (4.5)	60.7

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020



Based on Government-Wide Financial Statements. See page 27.

Business-type Activities:

The City's business-type activities increased net position by \$31.0 million. Key elements of this increase were as follows:

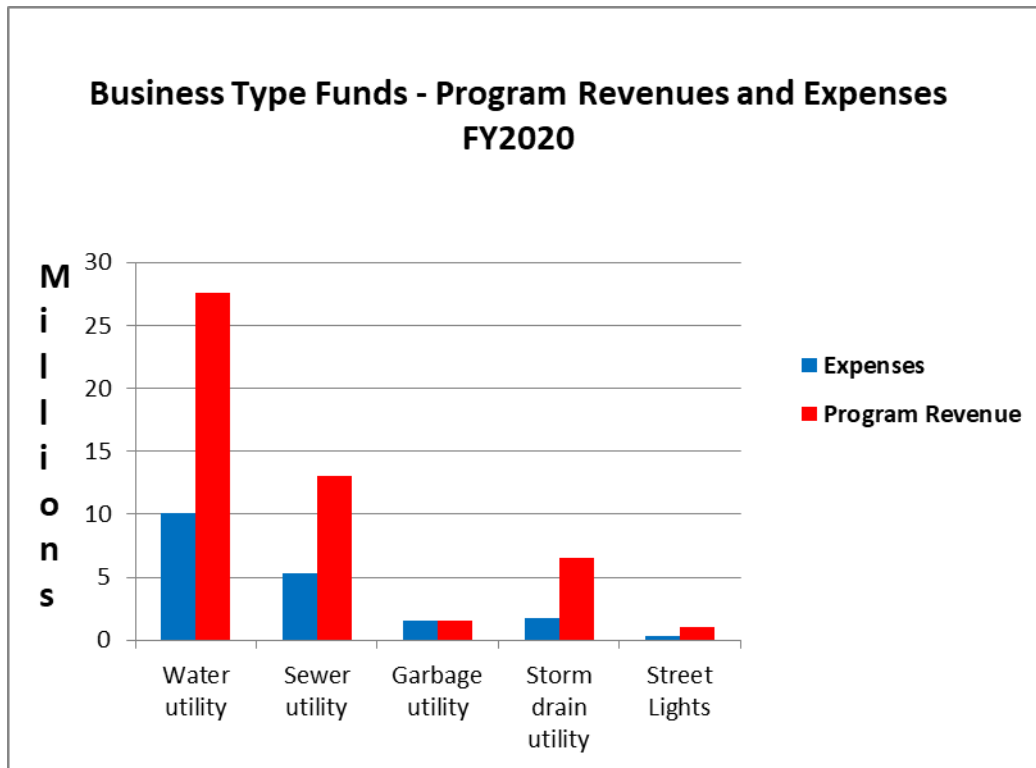
Revenue Highlights:

- Charges for services for business-type activities decreased by \$0.2 million for fiscal year 2020. This is mainly due to less impact fee revenues for this fiscal year.
- Operating and capital grants and contributions increased about \$18.2 million in fiscal year 2020. The \$18.2 million increase is due to more developer contributions.

Expense Highlights:

- Personnel expenses increased over \$0.1 million due to filled and additional positions 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 meters coupled with decreases in sewer capital projects.
- Professional services expenses slightly increased. The increase is due to more consulting services needed to prepare for various upcoming capital projects.
- Treatment and sanitation expenses increased approximately \$0.2 million due to an increase in sewer treatment costs.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020



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, 2020, the aggregate fund balance of the City's governmental funds was \$20.7 million, an increase of \$3.0 million in comparison with the fiscal year ended June 30, 2019. In fiscal year 2020, about \$9.3 million or 45.0 percent of this amount is unassigned fund balance compared to about \$6.1 million or 34.5 percent in fiscal year 2019. 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 \$11.4 million in fiscal year 2020 and \$10.0 million in fiscal year 2019. Of the assigned fund balance \$11.4 million is for capital projects.

The General Fund is the principal operating fund of the City. Utah State code establishes a 5.0 percent minimum (\$1,130,743) and a 25.0 percent maximum (\$5,653,715) limit to the amount that may be accumulated as the fund balance in the General Fund. As of June 30, 2020 the unassigned fund balance of the General Fund was \$9,301,808 and was \$3,648,893 above the 25.0 percent limit. The unassigned fund balance increased by \$3,203,539 in fiscal year 2020. The main reason for increased fund balance is the Cares Act federal monies, increase in taxes collected and charges for services.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020

As of June 30, 2020, the committed fund balance in the Capital Projects Fund was \$11.4 million. In fiscal year 2019 the committed fund balance was \$10.0. The \$1.4 million increase in restricted fund balance resulted from increased assigned fund balance for capital projects.

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 \$186.1 million at June 30, 2020, as compared to \$155.1 million at the end of fiscal year 2019. Net position at the end of fiscal year 2020 and 2019 for each of these funds were:

City of Saratoga Springs
Proprietary Funds

Fund	Amount		Change
	<u>2020</u>	<u>2019</u>	
Water Utility	\$ 119,253,258	\$ 101,718,279	\$ 17,534,979
Sewer Utility	35,302,363	27,581,646	7,720,717
Storm Drain Utility	29,486,791	24,727,906	4,758,885
Non Major Funds	2,086,038	1,069,931	1,016,107
Total	<u>\$ 186,128,450</u>	<u>\$ 155,097,762</u>	<u>\$ 31,030,688</u>

The net increase in net position from the prior year was \$31.0 million as compared to an increase of \$14.0 million in fiscal year 2019. Operating revenues increased \$2.5 million as compared to a \$0.5 million decrease change in fiscal year 2019 due to increased charges for services, connections and other fees.

The Water Utility operating revenues increased by \$1.7 million due to increased residents and households within the city limits due to continued growth. The Sewer Utility operating revenues increased by \$0.6 million in comparison to the previous fiscal year due the same reason as the Water Utility. The Storm Drain Utility operating revenues decreased slightly, the decrease was a result of less interest revenue.

Water Utility net position invested in capital assets net of related debt increased by \$11.4 million in fiscal year 2020 primarily due to increased accumulated depreciation, routine acquisition and disposition of capital assets, and less total liabilities. Unrestricted net position increased about \$6.1 million.

Sewer utility net position invested in capital assets net of related debt increased by \$8.5 million, unrestricted net position decreased by \$0.8 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 \$4.3 million, unrestricted net position increased by \$0.5 million resulting in a net increase of total net position of a little more than \$4.8 million.

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020

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 \$0.3 million increase in general government resulting from increases in general government consulting, grant expenditures, and personnel.
- More than \$0.3 million increase in public safety from public safety personnel for the Bluffdale contract and the Saratoga Springs police department.
- More than \$0.1 million increase in highways and streets mainly for new position in personnel.
- More than \$0.1 million increase in Parks and recreation for increased personnel and equipment.

Total actual expenditures came in \$5.0 million below the final budget. The differences between actual and the final budget can be briefly summarized as follows:

- The final budget was \$1.4 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 \$0.9 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 \$2.2 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 \$0.5 million more than actual expenditures in parks and recreation. The difference was coming in under budget in salaries and wages, employee benefits, vehicle lease payments, and supplies.

Actual revenues of \$23.2 million were above the final budgeted revenues of \$14.0 million by \$9.2 million. This is mainly due to taxes, increased charges for services, CARES Act federal monies 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 \$306.8 million (net of \$132.6 million accumulated depreciation) at June 30, 2020, as compared to \$272.4 million (net of \$118.5 million accumulated depreciation) at June 30, 2019. 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, 2020 include:

Governmental Activities:

- \$10.9 million Developer Streets Infrastructure Contributions
- \$0.8 million Redwood Road Betterments
- \$7.3 million for Public Safety Building
- \$0.8 million construction in progress for Public Works Building expansion

CITY OF SARATOGA SPRINGS, UTAH
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2020

Business-type Activities:

- \$0.6 million Developer Street Lights Infrastructure Contributions
- \$0.5 Water Generator Project
- \$8.9 million Developer Water Infrastructure Contributions
- \$3.3 million Developer Sewer Infrastructure Contributions
- \$1.6 million N1D Trunk Riverside to Crossing construction in progress
- \$7.2 million Sewer Gravity Outfall construction in progress
- \$5.1 million Developer Storm Drain Infrastructure Contributions
- \$2.5 million Water Rights Purchase

Additional information on the City's capital assets can be found in Note 4 – Capital Assets on page 46 of this report.

Long-Term Liabilities: Long-term debt for governmental activities decreased by more than \$6.4 million in comparison with fiscal year 2019 due to the retirement of the 2016 Special Assessment Bonds. Business-type activities debt decreased in fiscal year 2020 by \$3.5 million when compared with fiscal year 2019. Please see note 11 for details concerning long-term debt on Page 59.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for Utah County was 3.8 percent compared with the State unemployment rate of 5.0 percent and a national rate of 7.9 percent.
- The fiscal year 2020 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, Suite 200
Saratoga Springs, Utah 84045-5302

BASIC FINANCIAL STATEMENTS

CITY OF SARATOGA SPRINGS

Statement of Net Position

June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 38,347,082	\$ 31,018,927	\$ 69,366,009
Cash restricted	792	2,861,337	2,862,129
Accounts receivable - net	2,982,357	1,455,396	4,437,753
Internal balances	146,814	(146,814)	-
Due from other governmental units	3,668,622	-	3,668,622
Special assessment receivable	-	-	-
Net pension asset	343,220	-	343,220
Prepaid expenses	-	-	-
Capital assets			
Land	24,758,078	2,618,629	27,376,707
Water rights	-	21,026,348	21,026,348
Construction in progress	546,051	13,737,199	14,283,250
Buildings and improvements	14,665,356	-	14,665,356
Equipment	7,558,048	2,262,092	9,820,140
Infrastructure	141,939,263	210,236,592	352,175,855
Accumulated Depreciation	(68,858,084)	(63,749,024)	(132,607,108)
Total assets	<u>166,097,599</u>	<u>221,320,682</u>	<u>387,418,281</u>
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	1,845,396	265,056	2,110,452
Total Deferred outflow of resources	<u>1,845,396</u>	<u>265,056</u>	<u>2,110,452</u>
 Total assets and deferred outflows of resources	<u>\$ 167,942,995</u>	<u>\$ 221,585,738</u>	<u>\$ 389,528,733</u>
LIABILITIES			
Accounts payable	\$ 4,149,532	\$ 935,123	\$ 5,084,655
Accrued liabilities	609,609	-	609,609
Deposits payable	15,812,067	504,729	16,316,796
Accrued interest payable	29,545	75,940	105,485
Long-term liabilities			
Due within one year	943,545	2,417,333	3,360,878
Due in more than one year	13,256,665	31,356,817	44,613,482
Total liabilities	<u>34,800,963</u>	<u>35,289,942</u>	<u>70,090,905</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	1,169,362	167,346	1,336,708
Property taxes levied for future years	3,668,622	-	3,668,622
Total deferred inflow of resources	<u>4,837,984</u>	<u>167,346</u>	<u>5,005,330</u>
NET POSITION			
Net investment in capital assets	109,105,129	155,298,414	264,403,543
Unrestricted	19,198,919	30,830,036	50,028,955
Total net position	<u>128,304,048</u>	<u>186,128,450</u>	<u>314,432,498</u>
 Total liabilities, deferred inflows of resources and net position	<u>\$ 167,942,995</u>	<u>\$ 221,585,738</u>	<u>\$ 389,528,733</u>

CITY OF SARATOGA SPRINGS

Statement of Activities

For the Year Ended June 30, 2020

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	\$ 3,493,773	\$ 253,021	\$ -	\$ -	\$ (3,240,752)	\$ -	\$ (3,240,752)
Public safety	9,167,799	9,850,079	184,054	660,753	1,527,087	-	1,527,087
Highways and public works	6,556,569	223,305	-	13,157,595	6,824,331	-	6,824,331
Parks and recreation	4,618,654	493,681	-	2,323,821	(1,801,152)	-	(1,801,152)
Interest on long-term debt	429,622	-	-	-	(429,622)	-	(429,622)
Total governmental activities	<u>24,266,417</u>	<u>10,820,086</u>	<u>184,054</u>	<u>16,142,169</u>	<u>2,879,892</u>	<u>-</u>	<u>2,879,892</u>
Business-type activities:							
Major Funds							
Water	10,080,829	9,084,610	-	18,531,198	-	17,534,979	17,534,979
Sewer	5,303,150	5,091,969	-	7,931,898	-	7,720,717	7,720,717
Storm Drain	1,746,278	975,497	-	5,529,666	-	4,758,885	4,758,885
Non Major Funds							
Garbage	1,581,290	1,512,900	-	-	-	(68,390)	(68,390)
Street Lights	323,199	404,398	-	648,300	-	729,499	729,499
Total business-type activities	<u>19,034,746</u>	<u>17,069,374</u>	<u>-</u>	<u>32,641,062</u>	<u>-</u>	<u>30,675,690</u>	<u>30,675,690</u>
Total primary government	<u>\$ 43,301,163</u>	<u>\$ 27,889,460</u>	<u>\$ 184,054</u>	<u>\$ 48,783,231</u>	<u>2,879,892</u>	<u>30,675,690</u>	<u>33,555,582</u>
General revenues:							
Property taxes					\$ 4,277,816	\$ -	\$ 4,277,816
General sales and use tax					5,954,505	-	5,954,505
Franchise taxes					190,220	-	190,220
Energy taxes					1,187,128	-	1,187,128
Interest earnings					511,135	-	511,135
Transfers					(355,000)	355,000	-
Total general revenues and transfers					<u>11,765,804</u>	<u>355,000</u>	<u>12,120,804</u>
Change in net Position					14,645,696	31,030,690	45,676,386
Net position- beginning					113,658,352	155,097,760	268,756,112
Net position - ending					<u>\$ 128,304,048</u>	<u>\$ 186,128,450</u>	<u>\$ 314,432,498</u>

CITY OF SARATOGA SPRINGS

Balance Sheet Governmental Funds June 30, 2020

	Major Funds			Total
	General	Capital	Debt	Governmental
	Fund	Projects	Service	Funds
ASSETS				
Cash and cash equivalents	\$ 26,392,092	\$ 11,954,990	\$ -	\$ 38,347,082
Cash - restricted	-	792	-	792
Accounts receivable - net	2,955,569	26,788	-	2,982,357
Special Assessments		-	-	-
Due from other funds	296,275	-	-	296,275
Due from other governments	3,668,622	-	-	3,668,622
Prepays	-	-	-	-
Total assets	<u>\$ 33,312,558</u>	<u>\$ 11,982,570</u>	<u>\$ -</u>	<u>\$ 45,295,128</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,711,485	\$ 438,047	\$ -	\$ 4,149,532
Due to other funds	149,461	-	-	149,461
Accrued liabilities	587,467	22,142	-	609,609
Deposits	15,723,199	88,868	-	15,812,067
Total liabilities	<u>20,171,612</u>	<u>549,057</u>	<u>-</u>	<u>20,720,669</u>
Deferred inflows of Resources:				
Property taxes levied for future years	<u>3,839,138</u>	<u>-</u>	<u>-</u>	<u>3,839,138</u>
Total deferred inflows of resources	<u>3,839,138</u>	<u>-</u>	<u>-</u>	<u>3,839,138</u>
Fund Balances:				
Non spendable	-	-	-	-
Fund balances				
Committed for:	-	-	-	-
Assigned, for:				
Capital projects	-	11,433,513	-	11,433,513
Unassigned:	<u>9,301,808</u>	<u>-</u>	<u>-</u>	<u>9,301,808</u>
Total fund balances	<u>9,301,808</u>	<u>11,433,513</u>	<u>-</u>	<u>20,735,321</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,312,558</u>	<u>\$ 11,982,570</u>	<u>\$ -</u>	<u>\$ 45,295,128</u>

CITY OF SARATOGA SPRINGS

Balance Sheet Reconciliation to

Statement of Net Assets

June 30, 2020

Total fund balances - governmental fund types: \$ 20,735,321

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. 120,608,712

Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds. 2,188,616

Deferred inflows of resources from unearned revenue are not available financial resources and are not reported in the governmental funds. 170,516

Net pension liabilities and deferred inflows of resources are not available financial resources and are not reported in the governmental funds. (3,245,520)

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	\$ (11,245,000)	
Bond premium	(258,583)	
Accrued interest	(29,545)	
Compensated absences	(620,469)	(12,153,597)

Net assets of government activities		<u>\$ 128,304,048</u>
-------------------------------------	--	-----------------------

CITY OF SARATOGA SPRINGS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds			Total
	General Fund	Capital Projects Fund	Debt Service	Governmental Funds
REVENUES				
Taxes	\$ 11,439,153	\$ -	\$ -	\$ 11,439,153
Licenses and permits	1,893,642	-	-	1,893,642
Intergovernmental	2,731,871	526,378	-	3,258,249
Charges for services	6,353,918	-	3,288,436	9,642,354
Fines and forfeitures	435,075	-	-	435,075
Investment earnings	308,313	202,822	-	511,135
Impact fees	-	4,119,847	-	4,119,847
Other	53,554	22,711	-	76,265
Total revenues	<u>23,215,526</u>	<u>4,871,758</u>	<u>3,288,436</u>	<u>31,375,720</u>
EXPENDITURES				
Current:				
General government	3,358,672	-	-	3,358,672
Public safety	8,611,088	3,564,830	-	12,175,918
Highways and public works	900,265	1,436,539	-	2,336,804
Parks and recreation	2,392,074	686,284	-	3,078,358
Capital expenditures	-	1,523,760	-	1,523,760
Debt service:	-	-	-	-
Principal retirement	185,000	385,000	4,416,000	4,986,000
Interest and fiscal charges	109,099	305,184	118,367	532,650
Developer Reimbursement	-	-	-	-
Total expenditures	<u>15,556,198</u>	<u>7,901,597</u>	<u>4,534,367</u>	<u>27,992,162</u>
Excess revenues over (under) expenditures	<u>7,659,328</u>	<u>(3,029,839)</u>	<u>(1,245,931)</u>	<u>3,383,558</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	7,810	-	-	7,810
Transfers in	364,577	4,473,176	-	4,837,753
Transfers out	(4,828,176)	-	(364,577)	(5,192,753)
Total other financing sources and uses	<u>(4,455,789)</u>	<u>4,473,176</u>	<u>(364,577)</u>	<u>(347,190)</u>
Net change in fund balance	3,203,539	1,443,337	(1,610,508)	3,036,368
Fund balances - beginning of year	6,098,269	9,990,176	1,610,508	17,698,953
Fund balances - end of year	<u>\$ 9,301,808</u>	<u>\$ 11,433,513</u>	<u>\$ -</u>	<u>\$ 20,735,321</u>

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, 2020

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

Net changes in fund balances - total governmental funds	\$	3,036,368
---	----	-----------

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	\$ 6,044,400	
Depreciation Expense	<u>(7,315,857)</u>	(1,271,457)

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	10,862,273	
Gain on Sale of Assets	<u>0</u>	10,862,273

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	11,267	
Change in accrued compensated absences	<u>(103,093)</u>	(91,826)

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

Special Assessments revenues	(3,149,206)
Delinquent Property Taxes	170,516

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	4,986,000	
Principal repayments of capital leases	-	
Accrued interest	87,817	
Bond premium amortization	<u>15,211</u>	5,089,028

Change in net assets of governmental activities	\$	<u><u>14,645,696</u></u>
---	----	--------------------------

CITY OF SARATOGA SPRINGS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 3,494,213	\$ 3,494,213	\$ 4,107,300	\$ 613,087
Sales	4,925,000	4,925,000	5,954,505	1,029,505
Franchise	222,360	222,360	190,220	(32,140)
Energy	1,170,068	1,170,068	1,187,128	17,060
Licenses and permits	1,060,875	1,060,875	1,893,642	832,767
Intergovernmental	1,071,257	1,082,530	2,731,871	1,649,341
Charges for services	1,718,492	1,718,492	6,353,918	4,635,426
Fines and forfeitures		-	435,075	435,075
investment earnings	104,040	104,040	308,313	204,273
Other	221,000	221,000	53,554	(167,446)
Total revenues	13,987,305	13,998,578	23,215,526	9,216,948
EXPENDITURES				
Current:				
General government	4,399,313	4,731,305	3,358,672	1,372,633
Public safety	9,240,271	9,506,714	8,611,088	895,626
Highways and public works	3,021,936	3,102,231	900,265	2,201,966
Parks and recreation	2,807,860	2,921,447	2,392,074	529,373
Debt Service:				
Principal retirement	185,000	185,000	185,000	-
Interest and fiscal charges	108,500	108,500	109,099	(599)
Total expenditures	19,762,880	20,555,197	15,556,198	4,998,999
Excess (deficit) of revenues over (under) expenditures	(5,775,575)	(6,556,619)	7,659,328	14,215,946
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	7,810	7,810
Transfers in	-	-	364,577	364,577
Transfers out	(1,392,388)	(4,473,350)	(4,828,176)	(354,826)
Total other financing sources (uses)	(1,392,388)	(4,473,350)	(4,455,789)	17,561
Net change in fund balance	(7,167,963)	(11,029,969)	3,203,539	14,233,508
Fund balances - beginning	6,098,269	6,098,269	6,098,269	-
Fund balances - ending	\$ (1,069,694)	\$ (4,931,700)	\$ 9,301,808	\$ 14,233,508

CITY OF SARATOGA SPRINGS

Statement of Net Position

Proprietary Funds

June 30, 2020

	Business-Type Activities - Enterprise				
	Major Funds			Non Major	
	Water	Sewer	Storm Drain	Funds	Total
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 21,923,046	\$ 5,393,444	\$ 3,217,032	\$ 485,405	\$ 31,018,927
Restricted cash and cash equivalents	2,861,337	-	-	-	2,861,337
Accounts receivable - net	635,373	519,415	100,577	200,031	1,455,396
Due from other funds	5,494,126	4,500	-	-	5,498,626
Total current assets	<u>30,913,882</u>	<u>5,917,359</u>	<u>3,317,609</u>	<u>685,436</u>	<u>40,834,286</u>
Noncurrent assets:					
Capital Assets					
Water rights	21,026,348	-	-	-	21,026,348
Land	1,682,729	935,900	-	-	2,618,629
Construction in progress	667,404	12,914,787	155,008	-	13,737,199
Water capacities	10,950,988	-	-	-	10,950,988
Culinary water system	99,045,396	-	-	-	99,045,396
Secondary water system	25,185,363	-	-	-	25,185,363
Sewer system	-	37,027,689	-	-	37,027,689
Storm drain system	-	-	33,586,288	-	33,586,288
Street light system	-	-	-	4,440,868	4,440,868
Equipment	919,678	1,053,796	143,115	145,503	2,262,092
Less: Accumulated depreciation	(40,714,261)	(12,250,571)	(7,658,529)	(3,125,663)	(63,749,024)
Total capital assets	<u>118,763,645</u>	<u>39,681,601</u>	<u>26,225,882</u>	<u>1,460,708</u>	<u>186,131,836</u>
Total assets	<u>149,677,527</u>	<u>45,598,960</u>	<u>29,543,491</u>	<u>2,146,144</u>	<u>226,966,122</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension related costs	213,667	51,389	-	-	265,056
Total deferred outflow of resources	<u>213,667</u>	<u>51,389</u>	<u>-</u>	<u>-</u>	<u>265,056</u>
Total assets & deferred outflows of resources	<u>\$ 149,891,194</u>	<u>\$ 45,650,349</u>	<u>\$ 29,543,491</u>	<u>\$ 2,146,144</u>	<u>\$ 227,231,178</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts Payable	\$ 336,349	\$ 531,606	\$ 7,062	\$ 60,106	\$ 935,123
Due to other funds	5,550,226	47,607	47,607	-	5,645,440
Compensated absences	11,453	2,880	-	-	14,333
Customer deposits payable	438,365	64,333	2,031	-	504,729
Accrued interest payable	49,676	26,264	-	-	75,940
Bonds and contracts payable - current	1,998,000	405,000	-	-	2,403,000
Total current liabilities	<u>8,384,069</u>	<u>1,077,690</u>	<u>56,700</u>	<u>60,106</u>	<u>9,578,565</u>
Noncurrent liabilities:					
Compensated absences	3,051	2,156	-	-	5,207
Net pension liability	161,027	36,221	-	-	197,248
Bonds and contracts payable	21,954,952	9,199,410	-	-	31,154,362
Total noncurrent liabilities	<u>22,119,030</u>	<u>9,237,787</u>	<u>-</u>	<u>-</u>	<u>31,356,817</u>
Total liabilities	<u>30,503,099</u>	<u>10,315,477</u>	<u>56,700</u>	<u>60,106</u>	<u>40,935,382</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pension related costs	134,837	32,509	-	-	167,346
Total deferred outflow of resources	<u>134,837</u>	<u>32,509</u>	<u>-</u>	<u>-</u>	<u>167,346</u>
<u>NET POSITION</u>					
Net investment in capital assets	97,534,633	30,077,191	26,225,882	1,460,708	155,298,414
Unrestricted	21,718,625	5,225,172	3,260,909	625,330	30,830,036
Total net position	<u>119,253,258</u>	<u>35,302,363</u>	<u>29,486,791</u>	<u>2,086,038</u>	<u>186,128,450</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 149,891,194</u>	<u>\$ 45,650,349</u>	<u>\$ 29,543,491</u>	<u>\$ 2,146,144</u>	<u>\$ 227,231,178</u>

CITY OF SARATOGA SPRINGS

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

Proprietary Funds

For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds			Non Major	
	Water	Sewer	Storm Drain	Funds	Total
Operating revenues:					
Charges for services	\$ 5,602,803	\$ 4,527,847	\$ 918,572	\$ 1,898,689	\$ 12,947,911
Connection and other fees	3,074,479	394,592	-	-	3,469,071
Other	-	-	-	-	-
Total operating revenues	8,677,282	4,922,439	918,572	1,898,689	16,416,982
Operating expenses:					
Personnel Services	777,961	167,378	78,687	-	1,024,026
Supplies and maintenance	1,567,688	386,502	94,168	278,516	2,326,874
Professional services	43,782	-	-	-	43,782
Administration	1,854,183	954,921	467,252	193,679	3,470,035
Power and pumping	587,409	36,961	4,990	-	629,360
Treatment and sanitation	-	1,863,111	-	1,378,587	3,241,698
Depreciation	4,645,644	1,253,332	917,701	53,707	6,870,384
Other	2,684	1,156	-	-	3,840
Total operating expenses	9,479,351	4,663,361	1,562,798	1,904,489	17,609,999
Operating income	(802,069)	259,078	(644,226)	(5,800)	(1,193,017)
Nonoperating revenues (expenses):					
Interest revenue	407,328	169,530	56,925	18,609	652,392
Grant proceeds	146,584	-	-	-	146,584
Developer reimbursements	(3,789)	(329,894)	(183,480)	-	(517,163)
Interest expense and fiscal charges	(597,689)	(309,895)	-	-	(907,584)
Total nonoperating revenues (expenses)	(47,566)	(470,259)	(126,555)	18,609	(625,771)
Net income (loss) before contributions and transfers	(849,635)	(211,181)	(770,781)	12,809	(1,818,788)
Capital contributions	15,248,682	6,988,855	5,091,012	648,300	27,976,849
Impact fees	3,135,932	943,043	438,654	-	4,517,629
Transfers in	-	-	-	355,000	355,000
Transfers out	-	-	-	-	-
Total contributions and transfers	18,384,614	7,931,898	5,529,666	1,003,300	32,849,478
Change in net position	17,534,979	7,720,717	4,758,885	1,016,109	31,030,690
Total net position - beginning	101,718,279	27,581,646	24,727,906	1,069,929	155,097,760
Total net position - ending	\$ 119,253,258	\$ 35,302,363	\$ 29,486,791	\$ 2,086,038	\$ 186,128,450

CITY OF SARATOGA SPRINGS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds			Non Major	Total BTAs
	Water	Sewer	Storm Drain	Funds	
Cash Flows From Operating Activities					
Receipts from customers	\$ 8,454,168	\$ 4,826,472	\$ 902,444	\$ 1,873,985	\$ 16,057,069
Payments to suppliers	(2,657,777)	(3,928,876)	(122,426)	-	(6,709,079)
Payments to interfund services	(1,854,183)	(954,921)	(467,252)	(1,885,394)	(5,161,750)
Payments to employees	(750,384)	(158,068)	(78,687)	-	(987,139)
Net cash provided (used) by operating activities	3,191,824	(215,393)	234,079	(11,409)	3,199,101
Cash Flows From Noncapital Financing Activities					
Advance from other funds		-	-	355,000	355,000
Advance to other funds		-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	355,000	355,000
Cash Flows From Capital and Related Financing Activities					
Purchases of capital assets	(4,344,282)	(9,165,129)	(83,269)	(145,503)	(13,738,183)
Impact fees collected	3,135,932	943,043	438,654	-	4,517,629
Payments for Grant Proceeds	146,584	-	-	-	146,584
Payment for developer reimbursements	(3,789)	(329,894)	(183,480)	-	(517,163)
Payments for developer contributions	5,586,709	3,649,875	-	-	9,236,584
Principal paid on capital debt	(2,147,000)	(285,000)	-	-	(2,432,000)
Interest and fees paid on capital debt	(615,979)	(315,941)	-	-	(931,920)
Net cash provided (used) by capital and related financing activities	1,758,175	(5,503,046)	171,905	(145,503)	(3,718,469)
Cash Flows From Investing Activities					
Interest and dividends received	407,328	169,530	56,925	18,609	652,392
Net increase (decrease) in cash and cash equivalents	5,357,327	(5,548,909)	462,909	216,697	488,024
Cash and cash equivalents - beginning	19,427,056	10,942,353	2,754,123	268,708	33,392,240
Cash and cash equivalents (deficit) - ending	\$ 24,784,383	\$ 5,393,444	\$ 3,217,032	\$ 485,405	\$ 33,880,264
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ (802,069)	\$ 259,078	\$ (644,226)	\$ (5,800)	\$ (1,193,017)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expense	4,645,644	1,253,332	917,701	53,707	6,870,384
(Increase)/decrease in accounts receivable	(223,114)	(95,967)	(16,128)	(24,704)	(359,913)
(Inc.)/decrease in prepaid expenses					-
(Inc.)/decrease in due from other funds					-
(Increase)/decrease in deferred outflows	90,729	22,887			113,616
Increase/(decrease) in accounts payable	(498,299)	(1,644,017)	(25,299)	(34,612)	(2,202,227)
Increase/(decr.) in due to other funds					-
Increase/(decrease) in compensated absences	(7,949)	349			(7,600)
Increase/(decrease) in net pension liability	(163,698)	(41,294)			(204,992)
Increase/(decrease) in deferred inflows	108,495	27,368			135,863
Increase/(decrease) in deposits	42,085	2,871	2,031		46,987
Total adjustments	3,993,893	(474,471)	878,305	(5,609)	4,392,118
Net cash provided (used) by operating activities	\$ 3,191,824	\$ (215,393)	\$ 234,079	\$ (11,409)	\$ 3,199,101
Noncash investing, capital, and financing activities					
Contributions by developers	\$ 8,846,994	\$ 6,988,855	\$ 5,091,012	\$ -	\$ 20,926,861

See accompanying notes to the financial statements.

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.

The City has no component units.

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. 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.

Note 1 - Summary of Significant Accounting Policies – Continued

B. Government-wide and Fund Financial Statements - Continued

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.)

Note 1 - Summary of Significant Accounting Policies – Continued

C. Measurement Focus and Basis of Accounting

Debt Service Fund - The debt service fund is used to account for the debt related to the special assessment area and will be funded by property owner assessments.

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.

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

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.

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 position 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 position 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. 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.

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, 2020, the City's cash balance consisted of the following:

Cash on hand and on deposit:

Petty Cash	\$ 4,798
Cash on Deposit	7,822,913
PTIF Investment	64,400,427
Total cash and investments	\$ 72,228,138

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

Cash and cash equivalents	\$ 69,366,009
Restricted cash and cash equivalents	2,862,129
Total Cash and investments	\$ 72,228,138

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, 2020 were \$7,883,154 of which \$7,183,154 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. The City currently invests only in the State of Utah PTIF as discussed below.

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 exceeded its amortized cost basis by \$150,305 at June 30, 2020. The following are the City's Investments at June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Quality Ratings</u>
PTIF Investments	\$ 64,400,427	85 days *	Not Rated
Total	\$ 64,400,427		

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 following its investment policy by investing mainly in the PTIF and 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. Maturities of the City's investments are noted in the table at the beginning of Note 2.

D. 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.

Note 2 - Deposits and Investments – Continued

As of June 30, 2020, the City had the following recurring fair value measurements:

- PTIF Investments totaling \$64,400,427 valued using the application of the June 30, 2020, fair value factor, as calculated by the Utah State Treasurer which is therefore valued under level 2.

E. 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 amount of restricted cash at June 30, 2020 was \$2,862,129.

Note 3 - Accounts Receivable – Unearned and Unavailable Revenue

Accounts receivable are recorded net of the allowance for doubtful accounts of \$14,701 in the enterprise funds. The governmental funds also report two types of unavailable resources:

1. Property taxes of \$3,668,622 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 \$170,516 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.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 24,758,078	\$ -	\$ -	\$ 24,758,078
Construction in progress	5,145,108	76,222	(4,659,207)	562,123
Total capital assets not being depreciated	<u>29,903,186</u>	<u>76,222</u>	<u>(4,659,207)</u>	<u>25,320,201</u>
Capital assets being depreciated:				
Buildings	6,265,925	8,399,431	-	14,665,356
Machinery and equipment	7,019,897	581,215	(43,064)	7,558,048
Infrastructure	129,414,179	12,525,084	-	141,939,263
Total capital assets being depreciated	<u>142,700,001</u>	<u>21,505,730</u>	<u>(43,064)</u>	<u>164,162,667</u>
Less accumulated depreciation for:				
Buildings	(2,616,007)	(449,962)	-	(3,065,969)
Machinery and equipment	(4,160,663)	(486,002)	43,064	(4,603,601)
Infrastructure	(54,808,621)	(6,379,893)	-	(61,188,514)
Total accumulated depreciation	<u>(61,585,291)</u>	<u>(7,315,857)</u>	<u>43,064</u>	<u>(68,858,084)</u>
Total capital assets, being depreciated, net	81,114,710	14,189,873	-	95,304,583
Governmental activities capital assets, net	<u>\$ 111,017,896</u>	<u>\$ 14,266,095</u>	<u>\$ (4,659,207)</u>	<u>\$ 120,624,784</u>
Capital assets not being depreciated:				
Land	\$ 1,615,710	\$ 1,002,919.00	\$ -	\$ 2,618,629
Water rights	18,498,848	2,527,500		21,026,348
Construction in Progress	4,478,236	9,295,499	(36,536)	13,737,199
Total capital assets not being depreciated	<u>24,592,794</u>	<u>12,825,918</u>	<u>(36,536)</u>	<u>37,382,176</u>
Capital assets being depreciated:				
Water capacity	10,950,988	-	-	10,950,988
Culinary water system	89,726,088	9,319,308	-	99,045,396
Secondary water system	24,995,521	189,842	-	25,185,363
Sewer system	33,688,708	3,338,981	-	37,027,689
Storm drain system	28,495,276	5,091,012	-	33,586,288
Street light system	3,792,568	648,300	-	4,440,868
Equipment	1,975,447	286,645	-	2,262,092
Total capital assets being depreciated	<u>193,624,596</u>	<u>18,874,087</u>	<u>-</u>	<u>212,498,683</u>
Less accumulated depreciation for:				
Water capacity	(7,829,089)	(547,549)		(8,376,638)
Culinary water system	(23,470,197)	(2,935,568)		(26,405,765)
Secondary water system	(4,226,041)	(1,089,357)		(5,315,398)
Sewer system	(10,467,378)	(1,178,552)		(11,645,930)
Storm drain system	(6,597,714)	(917,701)		(7,515,415)
Street light system	(3,071,957)	(51,282)		(3,123,239)
Equipment	(1,216,264)	(150,375)		(1,366,639)
Total accumulated depreciation	<u>(56,878,640)</u>	<u>(6,870,384)</u>	<u>-</u>	<u>(63,749,024)</u>
Total capital assets, being depreciated, net	136,745,956	12,003,704	-	148,749,660
Business-type capital assets, net	<u>\$ 161,338,750</u>	<u>\$ 24,829,622</u>	<u>\$ (36,536)</u>	<u>\$ 186,131,836</u>

Note 4 - Capital Assets – Continued

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

Governmental activities:

General government	\$ 337,285
Public safety	364,622
Public works	4,596,365
Parks and Rec	2,017,584
Total depreciation expense - governmental activities	<u>\$ 7,315,857</u>

Business-type activities:

Water	\$ 4,645,644
Sewer	1,253,332
Strom Drain	917,701
Street Lights	53,707
Total depreciation expense - business-type activities	<u>\$ 6,870,384</u>

Total depreciation expense	<u>\$14,186,241</u>
----------------------------	---------------------

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 \$367,878 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.

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,

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:

<u>Utah Retirement Systems</u>	<u>Employee</u>	<u>Employer</u>	<u>401(k)</u>
Contributory System			
111 Local Government Div - Tier 2	N/A	15.66%	1.03%
Noncontributory System			
15 Local Government Div. Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 tier 2 DB Hybrid Public Safety N//A	N/A	21.04%	70.00%
Noncontributory			
49 Other Div B Tier 1	N/A	32.28%	N/A
Firefighters Retirement System			
31 Other Division B	16.71%	7.24%	N/A
132 Tier 2 DB Hybrid Firefighters	N/A	11.38%	70.00%
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	9.74%	12.00%
232 Firefighters	N/A	0.08%	12.00%

Utah Retirement Systems

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

For fiscal year ended June 30, 2020, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 462,434	N/A
Public Safety System	353,586	-
Firefighters System	34,509	79,647
Tier 2 Public Employees System	321,216	-
Tier 2 Public Safety and Firefighter	216,163	-
Tier 2 DC Only System	21,390	N/A
Tier 2 DC Public Safety and Firefighter System	4,602	N/A
Total Contributions	<u>\$ 1,413,900</u>	<u>\$ 79,647</u>

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.

Note 6 - Retirement Plans – Continued

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

At June 30, 2020, we reported a net pension asset of \$0 and a net pension liability of \$2,273,405.

	Net Pension	Net Pension	Proportionate	Proportionate Share December 31, 2018	Change (Decrease)
	Asset	Liability	Share		
Noncontributory System	\$ -	\$ 1,262,606	0.3350093%	0.3162762%	0.0187331%
Public Safety System	-	918,822	1.8500227%	0.0000000%	0.0000000%
Firefighters System	343,220	-	0.5488766%	1.7780179%	0.0722087%
Tier 2 Public Employees System	-	29,410	1.3076470%	0.1257648%	0.0049999%
Tier 2 Public Safety and Firefighter	-	62,567	0.6651502%	0.7115034%	0.0466532%
	<u>\$ 343,220</u>	<u>\$ 2,273,405</u>			

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 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, 2020, we recognized pension expense of \$1,444,682. At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 747,691	\$ 84,160
Changes in assumptions	449,307	15,677
Net difference between projected and actual earnings on pension plan investments	-	1,232,501
Changes in proportion and differences between contributions and proportionate share of contributions	191,840	4,370
Contributions subsequent to the measurement date	721,614	-
	<u>\$ 2,110,452</u>	<u>\$ 1,336,708</u>

Note 6 - Retirement Plans – Continued

\$721,614 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, 2019.

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 December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (120,688)
2021	(207,018)
2022	56,067
2023	(340,196)
2024	6,275
Thereafter	25,640
	<u>\$ (579,920)</u>

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

For the year ended June 30, 2020 we recognized pension expense of \$717,345.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 114,849	\$ 18,136
Changes in assumptions	133,725	-
Net difference between projected and actual earnings on pension plan investments	-	638,511
Changes in proportion and differences between contributions and proportionate share of contributions	115,640	-
Contributions subsequent to the measurement date	228,054	-
	<u>\$ 592,268</u>	<u>\$ 656,647</u>

\$228,054 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, 2019.

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 December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 12,196
2021	(92,448)
2022	30,569
2023	(242,750)
2024	-
Thereafter	-
	<u>\$ (292,433)</u>

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

For the year ended June 30, 2020 we recognized pension expense of \$518,640.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,408	\$ 23,828
Changes in assumptions	38,076	-
Net difference between projected and actual earnings on pension plan investments	-	381,054
Changes in proportion and differences between contributions and proportionate share of contributions	54,959	13,569
Contributions subsequent to the measurement date	164,824	-
	<u>\$ 277,267</u>	<u>\$ 418,451</u>

\$180,554 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, 2019.

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 December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 299,714
2021	210,691
2022	107,821
2023	(129,783)
2024	-
Thereafter	-
	<u>\$ 488,443</u>

Note 6 - Retirement Plans – Continued

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

For the year ended June 30, 2020 we recognized pension expense of (\$141,094).

At June 30, 2020, 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	\$ -	\$ 55,911
Changes in assumptions	102,159	10,086
Net difference between projected and actual earnings on pension plan investments	-	217,464
Changes in proportion and differences between contributions and proportionate share of contributions	3,766	87
Contributions subsequent to the measurement date	17,468	-
	<u>\$ 123,393</u>	<u>\$ 283,548</u>

\$17,468 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, 2019.

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 December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (67,907)
2021	(34,496)
2022	6,985
2023	(82,204)
2024	-
Thereafter	-
	<u>\$ (177,622)</u>

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

For the year ended June 30, 2020 we recognized pension expense of \$165,394.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

Note 6 - Retirement Plans – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,227	\$ 10,093
Changes in assumptions	12,558	845
Net difference between projected and actual earnings on pension plan investments	-	22,607
Changes in proportion and differences between contributions and proportionate share of contributions	22,462	-
Contributions subsequent to the measurement date	180,697	-
	<u>\$ 223,944</u>	<u>\$ 33,545</u>

\$180,697 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, 2019.

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 December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (3,087)
2021	(2,647)
2022	1,216
2023	(6,030)
2024	3,015
Thereafter	17,234
	<u>\$ 9,701</u>

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

For the year ended June 30, 2020 we recognized pension expense of \$184,397.

At June 30, 2020, 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	\$ 18,706	\$ 20
Changes in assumptions	14,860	565
Net difference between projected and actual earnings on pension plan investments	-	15,379
Changes in proportion and differences between contributions and proportionate share of contributions	7,457	6,874
Contributions subsequent to the measurement date	114,840	1,019
	<u>\$ 155,863</u>	<u>\$ 23,857</u>

Note 6 - Retirement Plans – Continued

\$114,840 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, 2019.

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 December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (1,502)
2021	(1,236)
2022	1,133
2023	(3,485)
2024	2,572
Thereafter	26,555
	<u>\$ 24,037</u>

Actual assumptions: The total pension liability in the December 31, 2019, 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 – 9.75 percent, average, including inflation
Investment rate of return	6.95 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, 2019; valuation was based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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:

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	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.95 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 6.95 percent from 7.20 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 6.95 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 (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease -5.95%	Discount Rate 6.95%	1% Increase 7.95%
Noncontributory System	\$ 3,943,559	\$ 1,262,606	\$ (973,280)
Public Safety System	2,537,265	918,822	(401,207)
Firefighters System	455,054	(343,220)	(1,000,022)
Tier 2 Public Employees System	253,615	29,410	(143,859)
Tier 2 Public Safety and Firefighter	221,025	62,567	(55,062)
Total	<u>\$ 7,410,518</u>	<u>\$ 1,930,185</u>	<u>\$(2,573,430)</u>

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

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:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
401(k) Plan			
Employer Contributions	\$734,848	\$658,995	\$577,001
Employee Contributions	159,050	138,580	137,135
457(b) Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	88,593	65,165	58,694
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 47,328	\$ 39,446	\$ 33,860
Traditional IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,390	\$ -	\$ -

Note 7 - Interfund Transfers

Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2020 were as follows:

	<u>In</u>	<u>Out</u>
Governmental:		
General Fund	\$ 364,577	\$ 4,828,176
Debt Service	-	364,577
Capital Projects	4,473,176	-
Business-type		
Grabage	355,000	-
Total Transfers	<u>\$5,192,753</u>	<u>\$5,192,753</u>

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 \$3,220,955 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 November 25, 2009 the City entered into an agreement with the Central Utah Water Conservancy District (District) to obtain delivery of water through District facilities equal to 10,000 acre feet. The City is obligated to pay a one-time development charge of \$6,200 per acre foot (\$62,000,000 for 10,000 acre feet of water) to the district which is due when the City takes delivery but no later than June 30, 2021. The City's obligation is backed by a contract with a landowner of property that is located within the City. The contract with the landowner requires collateral in the amount of the obligation and the funding of an account twelve months prior to the payment due date. The purpose of the water rights is to provide water resources for land development in the future as those parcels are developed.

On March 30, 2010 the City entered into an agreement with a neighboring municipality to provide police services. For the year ended June 30, 2020 the City received \$1,699,178 for the service.

The City has entered into an agreement with a developer to reimburse the developer for installing added improvements to the sewer system. The City will pay the developer \$700 for each connection to the north sewer system service area until the year 2021 up to a maximum of \$2,200,396. The City makes payments to the developer as fees are collected. The total amount paid to the developer for the year ended June 30, 2020 was \$98,393.

Note 9 - Construction Commitments

The City has active construction projects as of June 30, 2020. The projects include construction of roads and utility system upgrades. The below projects are all estimated to be completed by June, 30, 2021.

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
All Projects	\$13,697,318	\$3,196,452

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.

Note 11 - Long-term Debt

A. 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:

Special Assessment Debt 2012			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 98,000	\$ 36,639	\$ 134,639
2022	101,000	34,287	135,287
2023	103,000	31,540	134,540
2024	106,000	28,533	134,533

The 2016 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 3.0% -6.0%. These bonds were retired in 2020.

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 and the amounts outstanding at year end are as follows:

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

Note 11 - Long-term Debt – Continued

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:

2014 water revenue bonds

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 465,000	\$ 232,926	\$ 697,926
2022	475,000	223,626	698,626
2023	485,000	214,124	699,124
2024	495,000	202,000	697,000
2025	510,000	189,626	699,626

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:

Total	<u>\$ 7,810,000</u>	<u>\$ 2,001,434</u>	<u>\$ 9,811,434</u>
--------------	----------------------------	----------------------------	----------------------------

2016 Revenue bonds

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 385,000	\$ 302,050	\$ 687,050
2022	395,000	290,275	685,275
2023	410,000	275,200	685,200
2024	425,000	258,425	683,425
2025	445,000	236,675	681,675
2026-2030	2,555,000	876,725	3,431,725

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 \$3,843,575 and the debt service requirement was \$1,383,726.

Note 11 - Long-term Debt – Continued

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:

Total	<u>\$ 8,935,000</u>	<u>\$ 2,699,550</u>	<u>\$ 11,634,550</u>
--------------	---------------------	---------------------	----------------------

2018 Sewer Bonds

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 405,000	\$ 303,562	\$ 708,562
2022	415,000	291,412	706,412
2023	430,000	278,962	708,962
2024	440,000	266,062	706,062
2025	455,000	252,862	707,862
2026-2030	2,495,000	1,050,710	3,545,710

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 \$1,512,410 and the debt service requirement was \$0.00.

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

Note 11 - Long-term Debt – Continued

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:

Total	<u><u>\$ 9,515,000</u></u>	<u><u>\$ 3,229,810</u></u>	<u><u>\$ 12,744,810</u></u>
--------------	----------------------------	----------------------------	-----------------------------

2011 Sales tax Bond

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 190,000	\$ 99,850	\$ 289,850
2022	200,000	92,250	292,250
2023	205,000	85,750	290,750
2024	210,000	79,088	289,088
2025	220,000	70,688	290,688

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 400,000	\$ 273,026	\$ 673,026
2022	410,000	261,026	671,026
2023	425,000	248,726	673,726
2024	435,000	235,976	670,976
2025	450,000	222,926	672,926
2026-2030	2,450,000	904,630	3,354,630
2031-2035	2,845,000	511,238	3,356,238
2036-2040	1,275,000	67,374	1,342,374
Total	<u><u>\$ 8,690,000</u></u>	<u><u>\$ 2,724,922</u></u>	<u><u>\$ 11,414,922</u></u>

During the year the sales tax revenue was \$5,954,505 and the debt service requirement was \$833,631 or 14% 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

Note 11 - Long-term Debt – Continued

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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,050,000	\$ -	\$ 1,050,000
2022	1,050,000	-	1,050,000
2023	1,050,000	-	1,050,000
2024	1,050,000	-	1,050,000
2025	1,050,000	-	1,050,000
2026-2030	608,770	-	608,770
Total	\$ 5,858,770	\$ -	\$ 5,858,770

D. Changes in Long-term Debt

During the year ended June 30, 2020, the following activity occurred in liabilities reported as long-term:

	<u>Balance at June 30,2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2020</u>	<u>Due within one year</u>
Governmental activities					
Bonds payable:					
2011 Sales Tax Revenue Bond	\$ 2,740,000	\$ -	\$ (185,000)	\$ 2,555,000	\$ 190,000
2017 Sales Tax Revenue Bond	9,075,000	-	(385,000)	8,690,000	400,000
Unamortized Bond Premium	273,794	-	(15,211)	258,583	-
2016 Special Assessment Bond	4,416,000	-	(4,416,000)	-	-
Total bonds payable	16,504,794	-	(5,001,211)	11,503,583	590,000
Net pension liability	3,605,758		(1,529,600)	2,076,158	-
Compensated absences	517,376	473,002	(369,909)	620,469	353,545
Total Governmental Long-Term Obligations	\$ 20,627,928	\$ 473,002	\$ (6,900,720)	\$ 14,200,210	\$ 943,545
	<u>Balance at June 30,2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2020</u>	<u>Due within one year</u>
Business-Type Activities					
Bonds payable:					
2012 Special Assessment Bond	\$ 1,264,000	\$ -	\$ (262,000)	\$ 1,002,000	\$ 98,000
2014 Water Revenue Bond	8,265,000	-	(455,000)	7,810,000	465,000
2016 Water Revenue Bond	9,315,000	-	(380,000)	8,935,000	385,000
Unamortized Bond Premium	368,888	-	(21,707)	347,181	-
2018 Sewer Revenue Bond	9,800,000	-	(285,000)	9,515,000	405,000
Unamortized Bond Premium	94,670	-	(5,259)	89,411	-
Total bonds payable	29,107,558	-	(1,408,966)	27,698,592	1,353,000
Contract Payable	7,723,750		(1,864,980)	5,858,770	1,050,000
Net pension liability	402,240		(204,992)	197,248	-
Compensated absences	27,140	5,883	(13,483)	19,540	353,545
Total Business-Type Long-Term Obligations	\$ 37,260,688	\$ 5,883	\$ (3,492,421)	\$ 33,774,150	\$ 2,756,545

Note 11 - Long-term Debt – Continued

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 – Subsequent Events

During the Spring of 2020, the world economy was significantly affected by a global pandemic called COVID 19. The ongoing financial impact of this pandemic on the City is currently unknown.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SARATOGA SPRINGS

Required Supplementary Information
Schedule of Contributions
June 30, 2020
Last 10 Fiscal Years*

	Fiscal year ended June 30,	Actuarial Determined Contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contribution as a percentage of covered employee 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%
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%
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					
Tier 2 Public Employees System	2016	112,743	112,743	-	756,062	41.91%
	2017	156,900	156,900	-	1,052,316	14.91%
	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%
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%
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%
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%

* 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 Liaibility
June 30, 2020
Last 10 Fiscal Years*

	<u>Fiscal Year</u>	<u>Proportion of the net liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered employee payroll</u>	<u>Porportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
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%
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%
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%
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%
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%

* 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, 2020

Change in Assumptions

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the tier 1 Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unrecorded retirement prior to age 65.

SUPPLEMENTARY INFORMATION

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

Debt Service Fund – The debt service fund is used to account for the debt related to the special assessment area and will be funded by property owner assessments.

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
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Service Area - Debt Service
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 688,445	\$ 688,445	\$ 3,288,436	\$ 2,599,991
Investment earnings	-	-	-	-
Total revenues	<u>688,445</u>	<u>688,445</u>	<u>3,288,436</u>	<u>2,599,991</u>
EXPENDITURES				
Debt service				
Principal	477,000	477,000	4,416,000	(3,939,000)
Interest and fiscal charges	211,445	211,445	118,367	93,078
Developer reimbursement	-	-	-	-
Total expenditures	<u>688,445</u>	<u>688,445</u>	<u>4,534,367</u>	<u>(3,845,922)</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,245,931)</u>	<u>(1,245,931)</u>
OTHER FINANCING SOURCES (USES)				
Developer reimbursement	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(364,577)	(364,577)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(364,577)</u>	<u>(364,577)</u>
Net change in fund balance	-	-	(1,610,508)	(1,610,508)
Fund balances - beginning	<u>2,681,248</u>	<u>2,681,248</u>	<u>1,610,508</u>	<u>(1,070,740)</u>
Fund balances - ending	<u>\$ 2,681,248</u>	<u>\$ 2,681,248</u>	<u>\$ -</u>	<u>\$ (2,681,248)</u>

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Totals	
REVENUES				
Intergovernmental	\$ 473,176	\$ 473,176	\$ 526,378	\$ 53,202
Investment earnings	-	-	202,822	202,822
Impact fees	1,200,000	1,200,000	4,119,847	2,919,847
Miscellaneous	-	-	22,711	22,711
Total Revenues	<u>1,673,176</u>	<u>1,673,176</u>	<u>4,871,758</u>	<u>3,198,582</u>
EXPENDITURES				
General government	-	-	-	-
Public safety	-	4,538,885	3,564,830	974,055
Highways and public works	800,000	2,817,044	1,436,539	1,380,505
Parks and recreation	-	852,568	686,284	166,284
Capital expenditures	3,018,584	8,995,430	1,523,760	7,471,670
Debt service	-	-	-	-
Principal retirement	385,000	385,000	385,000	-
Interest and fiscal charges	284,575	284,575	305,184	(20,609)
Total expenditures	<u>4,488,159</u>	<u>17,873,502</u>	<u>7,901,597</u>	<u>9,971,905</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,814,983)</u>	<u>(16,200,326)</u>	<u>(3,029,839)</u>	<u>13,170,487</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	-	-
Transfers in	-	-	4,473,176	4,473,176
Transfers out	(230,425)	(230,425)	-	230,425
Total other financing sources (uses)	<u>(230,425)</u>	<u>(230,425)</u>	<u>4,473,176</u>	<u>4,703,601</u>
Net change in fund balance	(3,045,408)	(16,430,751)	1,443,337	17,874,088
Fund balances - beginning	9,990,176	9,990,176	9,990,176	-
Fund balances - ending	<u>\$ 6,944,768</u>	<u>\$ (6,440,575)</u>	<u>\$ 11,433,513</u>	<u>\$ 17,874,088</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, 2020

	<u>Garbage</u>	<u>Street Lights</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 1,116	\$ 484,289	\$ 485,405
Accounts receivable - net	165,328	34,703	200,031
Due from other funds	-	-	-
Total current assets	<u>166,444</u>	<u>518,992</u>	<u>685,436</u>
Noncurrent assets:			
Capital Assets			
Equipment		145,503	145,503
Street light system		4,440,868	4,440,868
Less: Accumulated depreciation		<u>(3,125,663)</u>	<u>(3,125,663)</u>
Total capital assets	<u>-</u>	<u>1,460,708</u>	<u>1,460,708</u>
Total noncurrent assets	<u>-</u>	<u>1,460,708</u>	<u>1,460,708</u>
 Total assets	 <u>166,444</u>	 <u>1,979,700</u>	 <u>2,146,144</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related costs	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets & deferred outflows of resources	 <u><u>\$ 166,444</u></u>	 <u><u>\$ 1,979,700</u></u>	 <u><u>\$ 2,146,144</u></u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 34,579	\$ 25,527	\$ 60,106
Due to other funds	-	-	-
Total current liabilities	<u>34,579</u>	<u>25,527</u>	<u>60,106</u>
Noncurrent liabilities:			
Total noncurrent liabilities	-	-	-
Total liabilities	<u>34,579</u>	<u>25,527</u>	<u>60,106</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related costs	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	1,460,708	1,460,708
Unrestricted	<u>131,865</u>	<u>493,465</u>	<u>625,330</u>
Total net Position	<u>131,865</u>	<u>1,954,173</u>	<u>2,086,038</u>
 Total liabilities, deferred inflows of resources and net position	 <u><u>\$ 166,444</u></u>	 <u><u>\$ 1,979,700</u></u>	 <u><u>\$ 2,146,144</u></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, 2020

	Garbage	Street Lights	Total
Operating revenues:			
Charges for services	\$ 1,503,965	\$ 394,724	\$ 1,898,689
Other	-	-	-
Total operating revenues	<u>1,503,965</u>	<u>394,724</u>	<u>1,898,689</u>
 Operating expenses:			
Supplies and Maintenance	82,290	196,226	278,516
Administration	120,413	73,266	193,679
Treatment and sanitation	1,378,587	-	1,378,587
Depreciation	-	53,707	53,707
Total operating expenses	<u>1,581,290</u>	<u>323,199</u>	<u>1,904,489</u>
Operating income	<u>(77,325)</u>	<u>71,525</u>	<u>(5,800)</u>
 Nonoperating revenues (expenses):			
Interest revenue	8,935	9,674	18,609
Total nonoperating revenues (expenses)	<u>8,935</u>	<u>9,674</u>	<u>18,609</u>
 Net income (loss) before contributions and transfers	<u>(68,390)</u>	<u>81,199</u>	<u>12,809</u>
 Contributions and transfers			
Contributions from developers	-	648,300	648,300
Operating transfers in	355,000	-	355,000
Total contributions and transfers	<u>355,000</u>	<u>648,300</u>	<u>1,003,300</u>
 Change in net Position	286,610	729,499	1,016,109
 Total net position - beginning	(154,745)	1,224,674	1,069,929
Total net position - ending	<u>\$ 131,865</u>	<u>\$ 1,954,173</u>	<u>\$ 2,086,038</u>

	Garbage	Street Lights	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 1,482,923	\$ 391,062	\$ 1,873,985
Payments to employees	-	-	-
Payments to suppliers	(1,589,654)	(295,740)	(1,885,394)
Net cash provided (used) by operating activities	(106,731)	95,322	(11,409)
Cash Flows From Noncapital Financing Activities			
Advance from other funds	98,912	256,088	355,000
Transfers Out	-	-	-
Net cash provided (used) by noncapital financing activities	98,912	256,088	355,000
Cash Flows From Capital and Related Financing Activities			
Purchase of Capital Assets	-	(145,503)	(145,503)
Proceeds from the sale of assets	-	-	-
Net cash provided (used) by capital and related financing activities	-	(145,503)	(145,503)
Cash Flows From Investing Activities			
Interest and dividends received	8,935	9,674	18,609
Net cash provided (used) by investing and related financing activities	8,935	9,674	18,609
Net increase (decrease) in cash and cash equivalents	1,116	215,581	216,697
Cash and cash equivalents - beginning	-	268,708	268,708
Cash and cash equivalents - end	\$ 1,116	\$ 484,289	\$ 485,405
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ (77,325)	\$ 71,525	\$ (5,800)
Adjustments to reconcile operating income to net cash provided (used) by			
Depreciation expense	-	53,707	53,707
Increase/ (decrease) in accounts receivable	(21,042)	(3,662)	(24,704)
Increase/(decrease) in accounts payable	(8,364)	(26,248)	(34,612)
Total adjustments	(29,406)	23,797	(5,609)
Net cash provided (used) by operating activities	\$ (106,731)	\$ 95,322	\$ (11,409)
Capital assets contributed by developers		\$ 648,300	\$ 648,300

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)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net investment in										
capital assets	\$ 74,023,634	\$ 75,648,247	\$ 72,106,589	\$ 74,598,446	\$ 73,222,615	\$ 86,379,952	\$ 84,573,253	\$ 99,816,127	\$ 110,194,198	\$ 109,105,129
Restricted	6,879,966	7,890,183	600,591	95,687						
Unrestricted	<u>2,636,561</u>	<u>4,941,530</u>	<u>15,171,267</u>	<u>15,320,390</u>	<u>17,070,401</u>	<u>16,492,718</u>	<u>17,926,208</u>	<u>8,084,211</u>	<u>3,464,154</u>	<u>19,198,919</u>
Total Governmental Activities										
Net Position	<u>\$ 83,540,161</u>	<u>\$ 88,479,960</u>	<u>\$ 87,878,447</u>	<u>\$ 90,014,523</u>	<u>\$ 90,293,016</u>	<u>\$ 102,872,670</u>	<u>\$ 102,499,461</u>	<u>\$ 107,900,338</u>	<u>\$ 113,658,352</u>	<u>\$ 128,304,048</u>
Business-Type Activities										
Net investment in										
capital assets	\$ 79,011,572	\$ 80,775,067	\$ 79,541,530	\$ 83,658,220	\$ 87,124,624	\$ 104,205,965	\$ 112,772,271	\$ 123,848,895	\$ 130,346,977	\$ 155,298,414
Restricted	3,487,439	5,079,787	-	-	2,814,571	2,787,320	-	-	-	-
Unrestricted	<u>2,429,896</u>	<u>1,733,791</u>	<u>8,625,624</u>	<u>8,122,994</u>	<u>8,754,227</u>	<u>14,074,089</u>	<u>14,063,076</u>	<u>18,342,889</u>	<u>24,750,785</u>	<u>30,830,036</u>
Total Business-Type Activities										
Net Position	<u>\$ 84,928,907</u>	<u>\$ 87,588,645</u>	<u>\$ 88,167,154</u>	<u>\$ 91,781,214</u>	<u>\$ 98,693,422</u>	<u>\$ 121,067,374</u>	<u>\$ 126,835,347</u>	<u>\$ 142,191,784</u>	<u>\$ 155,097,762</u>	<u>\$ 186,128,450</u>
Primary Government										
Net investment in										
capital assets	\$ 153,035,206	\$ 156,423,314	\$ 151,648,119	\$ 158,256,666	\$ 160,347,239	\$ 190,585,917	\$ 197,345,524	\$ 223,665,022	\$ 240,541,175	\$ 264,403,543
Restricted	10,367,405	12,969,970	600,591	95,687	5,814,571	2,787,320				
Unrestricted	<u>5,066,457</u>	<u>6,675,321</u>	<u>23,796,891</u>	<u>23,443,384</u>	<u>25,824,628</u>	<u>30,566,807</u>	<u>31,989,284</u>	<u>26,427,100</u>	<u>28,214,939</u>	<u>50,028,955</u>
Total Primary Government										
Net Position	<u>\$ 168,469,068</u>	<u>\$ 176,068,605</u>	<u>\$ 176,045,601</u>	<u>\$ 181,795,737</u>	<u>\$ 191,986,438</u>	<u>\$ 223,940,044</u>	<u>\$ 229,334,808</u>	<u>\$ 250,092,122</u>	<u>\$ 268,756,114</u>	<u>\$ 314,432,498</u>

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 Nine Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental Activities:										
General Government	\$ 1,291,631	\$ 1,998,497	\$ 2,609,093	\$ 2,171,825	\$ 2,096,762	\$ 2,462,795	\$ 2,740,131	\$ 2,454,741	\$ 2,787,352	\$ 3,493,773
Public Safety	4,651,168	4,833,686	4,966,496	5,018,488	5,240,399	6,012,919	6,654,993	7,398,839	8,379,318	9,167,799
Highways and Public Improvements	3,364,997	4,022,464	4,722,390	2,666,666	5,384,522	5,966,661	5,850,964	6,463,171	5,829,164	6,556,569
Parks and Recreation	1,738,032	1,899,678	2,438,028	2,635,964	2,701,630	2,023,421	3,532,875	3,351,597	4,156,484	4,618,654
Interest on Long-Term Debt	47,519	157,437	141,240	142,332	137,882	133,171	392,392	726,526	571,051	429,622
Total Governmental Activities	11,093,347	12,911,762	14,877,247	12,635,275	15,561,195	16,598,967	19,171,355	20,394,874	21,723,369	24,266,417
Business-Type Activities:										
Water Utility	4,286,081	4,649,685	5,102,548	5,001,698	5,477,856	6,353,950	7,828,265	8,902,476	9,484,321	10,080,829
Sewer Utility	2,043,128	2,434,510	3,066,436	3,005,658	3,244,648	4,203,587	3,541,052	4,989,823	4,888,210	5,303,150
Garbage Utility	633,551	702,476	822,106	1,028,024	1,080,662	1,059,777	1,171,046	1,557,791	1,518,045	1,746,278
Storm Drain Utility	470,700	756,772	691,410	880,773	908,198	901,351	954,935	1,303,165	1,324,079	1,581,290
Street Lighting							-		477,347	323,199
Total Business-Type Activities	7,433,460	8,543,443	9,682,500	9,916,153	10,711,364	12,518,665	13,495,298	16,753,255	17,692,002	19,034,746
Total Primary Government Expenses	\$ 18,526,807	\$ 21,455,205	\$ 24,559,747	\$ 22,551,428	\$ 26,272,559	\$ 29,117,632	\$ 32,666,653	\$ 37,148,129	\$ 39,415,371	\$ 43,301,163
Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 734,865	\$ 2,473,625	\$ 4,081,953	\$ 2,778,204	\$ 3,379,235	\$ 4,985,982	\$ 257,321	\$ 254,635	\$ 223,274	\$ 253,021
Public Safety	\$ 715,131	\$ 1,894,515	\$ 1,039,947	\$ 1,101,415	\$ 1,214,388	\$ 1,372,884	\$ 5,175,558	\$ 6,008,513	\$ 6,743,052	\$ 9,850,079
Highways & Public Improvements		\$ 1,179,069	\$ 1,268,709	\$ 1,105,971	\$ 1,541,709	\$ 1,641,262	\$ 285,091	\$ 346,534	\$ 196,987	\$ 223,305
Parks & Recreation	\$ 150,558	\$ 888,193	\$ 886,054	\$ 652,831	\$ 2,519,097	\$ 2,555,462	\$ 415,750	\$ 450,249	\$ 531,525	\$ 493,681
Operating Grants and Contributions	1,719,874	1,118,658	172,388	123,870	764,283	239,028	242,108	98,790	114,655	184,054
Capital Grants and Contributions	5,740,308	2,664,043	672,095	2,502,760	1,545,870	10,796,710	6,756,688	10,431,394	9,393,472	16,142,169
Total Governmental Activities	9,060,736	10,218,103	8,121,146	8,265,051	10,964,582	21,591,328	13,132,516	17,590,115	17,202,965	27,146,309
Business-Type Activities										
Charges for Services										
Water Utility	2,222,973	6,393,708	6,154,942	5,976,789	6,512,923	10,473,751	7,934,650	9,707,208	9,112,844	9,084,610
Sewer Utility	1,970,431	2,488,427	2,674,392	2,720,120	3,047,088	4,675,210	4,255,070	5,342,114	5,252,833	5,091,969
Garbage Utility	745,432	596,706	639,307	893,984	641,802	961,029	1,203,403	1,488,613	1,362,947	1,512,900
Storm Drain Utility	148,947	808,855	895,505	579,827	913,322	958,500	755,522	1,335,382	1,216,128	975,497
Street Lighting								360,270		404,398
Capital Grants and Contributions	2,223,380	1,238,142		3,070,714	6,587,528	17,769,209	5,152,013	13,322,518	14,445,356	32,641,062
Total Business-Type Activities	7,311,163	11,525,838	10,364,146	13,241,434	17,702,663	34,837,699	19,300,658	31,195,835	31,750,378	49,710,436
Total Primary Government Revenues	\$ 16,371,899	\$ 21,743,941	\$ 18,485,292	\$ 21,506,485	\$ 28,667,245	\$ 56,429,027	\$ 32,433,174	\$ 48,785,950	\$ 48,953,343	\$ 76,856,745

Schedule 2, Continued	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue	\$ (2,032,611)	\$ (2,693,659)	\$ (6,756,101)	\$ (4,370,224)	\$ (4,596,613)	\$ 4,992,361	\$ (6,038,839)	\$ (2,804,759)	\$ (4,520,403)	\$ 2,879,892
Governmental Activities	(122,297)	2,982,395	681,646	3,325,281	6,991,299	22,319,034	5,805,360	14,442,580	14,058,376	30,675,690
Business-Type Activities	<u>\$ (2,154,908)</u>	<u>\$ 288,736</u>	<u>\$ (6,074,455)</u>	<u>\$ (1,044,943)</u>	<u>\$ 2,394,686</u>	<u>\$ 27,311,395</u>	<u>\$ (233,479)</u>	<u>\$ 11,637,821</u>	<u>\$ 9,537,973</u>	<u>\$ 33,555,582</u>
Total Primary Government Net Expense										
Expenses										
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	2,395,277	2,758,185	2,659,844	2,686,612	2,844,496	2,969,689	2,849,626	3,154,305	3,555,528	4,277,816
Sales and Use Taxes	1,881,168	2,162,610	2,360,544	2,653,278	2,939,653	3,215,928	3,639,272	4,146,681	4,708,384	5,954,505
Franchise Fees	227,207	212,494	199,838	221,085	207,142	212,144	227,184	223,363	205,177	190,220
Energy Taxes	632,865	655,845	793,113	870,992	877,695	953,656	1,003,254	1,067,046	1,097,410	1,187,128
Interest Earnings	98,172	73,233	89,897	74,332	89,800	137,752	107,325	528,098	663,435	511,135
Gain on Sale of Capital Assets	34,787	-	51,352		15,799	8,043	183,719			
Transfers	(380,000)	309,789	-	-	-	37,387	-	(913,857)	48,483	(355,000)
Total Governmental Activities	<u>4,889,476</u>	<u>6,172,156</u>	<u>6,154,588</u>	<u>6,506,299</u>	<u>6,974,585</u>	<u>7,534,599</u>	<u>8,010,380</u>	<u>8,205,636</u>	<u>10,278,417</u>	<u>11,765,804</u>
Business-Type Activities:										
Interest Earnings	49,480	57,343	45,004	56,267	109,205	92,225	463,620	-	-	-
Transfers	380,000	6,569	-	-	-	(37,387)	-	913,857	(48,483)	355,000
Total Business-Type Activities	<u>429,480</u>	<u>63,912</u>	<u>45,004</u>	<u>56,267</u>	<u>109,205</u>	<u>54,838</u>	<u>463,620</u>	<u>913,857</u>	<u>(48,483)</u>	<u>355,000</u>
Total Primary Government										
General Revenue	<u>5,318,956</u>	<u>6,236,068</u>	<u>6,199,592</u>	<u>6,562,566</u>	<u>7,083,790</u>	<u>7,589,437</u>	<u>8,474,000</u>	<u>9,119,493</u>	<u>10,229,934</u>	<u>12,120,804</u>
Change in Net Position										
Governmental Activities	\$ 2,856,865	\$ 4,559,799	\$ (601,513)	\$ 2,136,075	\$ 2,377,972	\$ 12,579,654	\$ 2,023,294	\$ 5,400,877	\$ 5,758,014	\$ 14,645,696
Business-Type Activities	307,183	3,039,738	726,650	3,381,548	7,100,504	22,373,953	5,767,973	15,356,437	14,009,893	31,030,690
Total Primary Government	<u>\$ 3,164,048</u>	<u>\$ 7,599,537</u>	<u>\$ 125,137</u>	<u>\$ 5,517,623</u>	<u>\$ 9,478,476</u>	<u>\$ 34,953,607</u>	<u>\$ 7,791,267</u>	<u>\$ 20,757,314</u>	<u>\$ 19,767,907</u>	<u>\$ 45,676,386</u>

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Unreserved, undesignated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,782,816	2,478,911	2,508,347	2,068,425	2,989,076	2,768,845	3,662,232	4,588,582	6,098,269	9,301,808
All other governmental funds										
Reserved										
Roads and impact fees										
Roads and capital improvements										
Advance to sewer fund										
Unreserved, undesignated										
Special revenue funds										
Capital Project Fund										
Nonspendable - prepaid expenses	22,459	7,628	6,277	737				120,000		
Restricted										
Capital project funds	7,373,476	7,271,642								
General fund		610,913	600,591	95,687						
Committed										
Capital project funds			10,946,127	11,783,336	13,435,477	12,492,157	25,395,322	15,497,215	9,990,176	11,433,513
Assigned										
Debt Service	1,713,820	1,406,121					5,926,731	2,681,248	1,610,508	
Street lighting	249,453	305,725	282,980				431,449			
Total all other governmental Funds	\$ 9,359,208	\$ 9,602,029	\$ 11,835,975	\$ 11,879,760	\$ 13,435,477	\$ 12,492,157	\$ 31,753,502	\$ 18,298,463	\$ 11,600,684	\$ 11,433,513

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$ 5,240,234	\$ 5,789,134	\$ 5,988,153	\$ 6,320,529	\$ 6,692,613	\$ 7,141,996	\$ 7,719,336	\$ 8,591,396	\$ 9,566,499	\$ 11,439,153
Licenses and Permits	321,571	563,917	648,974	583,374	749,910	1,231,004	1,267,524	1,440,007	1,360,909	1,893,642
Intergovernmental	1,799,494	1,063,618	844,483	2,626,630	2,310,153	1,114,882	1,463,080	1,255,756	1,552,581	3,258,249
Fees/Charges for Services	2,506,678	5,589,526	6,545,780	4,975,201	7,429,506	8,699,519	4,787,332	5,593,339	5,978,648	9,642,354
Fines & Forfeitures	-	-	-	-	427,554	514,587	480,309	456,796	505,381	435,075
Developer Contributions	-	-	-	-	-	-	-	-	-	-
Interest Earnings	98,172	66,551	89,897	74,332	89,800	190,746	289,201	528,099	663,435	511,135
Impact Fees	-	-	-	-	-	-	2,912,619	3,360,807	2,676,903	4,119,847
Other	2,041,161	534,896	81,909	79,846	47,459	110,180	101,372	346,534	30,845	76,265
Total Revenues	\$ 12,007,310	\$ 13,607,642	\$ 14,199,196	\$ 14,659,912	\$ 17,746,995	\$ 19,002,914	\$ 19,020,773	\$ 21,572,734	\$ 22,335,201	\$ 31,375,720
Expenditures										
General Government	1,256,561	1,919,556	2,294,465	2,118,559	2,266,424	2,345,329	2,462,576	2,287,597	2,541,928	3,358,672
Public Safety	4,613,424	4,582,135	5,392,426	5,295,083	5,724,366	6,276,346	6,554,146	8,113,915	11,958,418	12,175,918
Highways and Public Improvements	2,464,024	3,545,121	2,521,683	1,589,359	2,003,657	4,959,389	1,442,102	4,310,738	1,720,616	2,336,804
Parks and Recreation	2,264,012	2,665,475	953,329	1,379,264	2,777,486	3,961,206	2,501,142	8,842,946	6,654,564	3,078,358
Capital Expenditures	-	-	-	4,135,524	2,339,204	2,319,328	1,310,587	4,916,714	12,198,330	1,523,760
Debt Service:	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	165,000	922,000	1,012,000	4,986,000
Interest & Fiscal Charges	-	-	-	-	-	-	241,318	767,873	593,838	532,650
Capital Lease Payments	1,405,289	365,282	533,463	129,099	155,000	160,000	-	-	-	-
Developer Reimbursement	-	-	-	-	-	-	-	-	1,066,279	-
Bond Issuance Costs and Trustee Fees	114,617	291,000	291,800	292,332	137,882	133,171	197,504	-	-	-
Total Expenditures	\$ 12,117,927	\$ 13,368,569	\$ 11,987,166	\$ 14,939,220	\$ 15,404,019	\$ 20,154,769	\$ 14,874,375	\$ 30,161,783	\$ 37,745,973	\$ 27,992,162
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (110,617)	\$ 239,073	\$ 2,212,030	\$ (279,308)	\$ 2,342,976	\$ (1,151,855)	\$ 4,146,398	\$ (8,589,049)	\$ (15,410,772)	\$ 3,383,558
Other Financing Sources (Uses)										
Proceeds From Obligations Under Capital I	21,400	119,100	-	211,322	120,119	8,043	-	-	11,978	-
Developer Reimbursement	-	-	-	-	-	-	-	(3,545,575)	-	-
Bond Proceeds	4,000,000	-	-	-	15,799	-	15,399,427	-	-	-
Bond Premium	134,193	-	-	-	-	-	-	-	-	-
Proceeds From Sales of Capital Assets	50,050	200,743	51,352	-	-	-	183,719	-	-	7,810
Transfers In	750,130	2,538,216	2,428,616	2,231,485	1,344,074	3,621,247	2,372,046	2,450,242	3,040,448	4,837,753
Transfers Out	(1,130,130)	(2,538,216)	(2,428,616)	(2,231,485)	(1,344,074)	(3,583,860)	(2,334,659)	(2,844,307)	(2,991,965)	(5,192,753)
Total Other Financing Sources (Uses)	\$ 3,825,643	\$ 319,843	\$ 51,352	\$ 211,322	\$ 135,918	\$ 45,430	\$ 15,620,533	\$ (3,939,640)	\$ 60,461	\$ (347,190)
Net Change in Fund Balances	\$ 3,715,026	\$ 558,916	\$ 2,263,382	\$ (67,986)	\$ 2,478,894	\$ (1,106,425)	\$ 19,766,931	\$ (12,528,689)	\$ (15,350,311)	\$ 3,036,368
Ratio of Total Debt Service Expenditures to total non capital expenditures	14.3%	5.2%	7.4%	4.1%	2.3%	1.7%	4.7%	7.2%	11.7%	26.3%

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	Property Tax	Sales and Use Tax	Franchise Fees	Energy Taxes	Total
2011	2,395,277	1,881,168	227,207	632,865	5,136,517
2012	2,758,185	2,162,610	212,494	655,845	5,789,134
2013	2,659,844	2,360,544	199,838	793,113	6,013,339
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

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	Commerical Property	Miscellaneous Property	Total Assessed Value	Total Taxable Assessed Value
2008	\$ 932,667,853	\$ 62,553,999	\$ 49,865,634	\$ 1,045,087,486	\$ 1,017,244,323
2009	761,281,348	108,869,886	54,449,296	924,600,530	895,096,173
2010	677,853,887	112,726,260	56,471,741	847,051,888	818,019,054
2011	613,123,034	104,439,630	39,673,599	757,236,263	744,534,001
2012	554,081,621	88,261,615	134,695,645	777,038,881	763,106,508
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

Source: Utah State Tax Commission and Utah County Treasurer

<http://propertytax.utah.gov/property-tax-rates/year-end-values-by-entity>

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
2008	\$ 932,667,853	\$ 62,553,999	\$ 49,865,634	\$ 347,430	\$ 1,045,434,916
2009	761,281,348	108,869,886	54,449,296	440,075	925,040,605
2010	677,853,887	112,726,260	56,471,741	503,524	847,555,412
2011	613,123,034	104,439,630	39,673,599	190,534	757,426,797
2012	554,081,621	88,261,615	134,695,645	208,986	777,247,867
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

Source: Utah State Tax Commission

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

	Calendar Year					
	2014	2015	2016	2017	2018	2019
Retail Trade	\$ 113,167,547	\$ 120,493,315	\$ 134,903,638	\$ 141,021,664	\$ 194,756,492	232,941,810
Accommodation and Food Services	20,963,103	23,056,127	24,272,362	25,687,334	70,000	38,875,044
Utilities	12,964,613	13,545,560	14,520,668	14,750,136	16,500	16,750
Information	9,472,286	9,232,412	9,020,018	9,130,021	9,420,083	10,513,027
Wholesale Trade	2,481,843	7,257,027	3,880,350	4,160,248	6,273,824	7,264,164
Motor Vehicle Sales Tax	6,435,003	6,346,056	7,645,128	8,128,123	11,000,000	12,000,000
Other Services (except Public Administration)	2,342,173	3,142,629	5,592,281	5,907,622	8,309,872	10,139,654
Miscellaneous	1,929,795	2,323,817	7,980,524	6,687,151	10,119,962	15,998,428
All others	5,360,641	6,575,124	9,604,431	8,843,201	20697314	18,462,494
Total	\$ 175,117,004	\$ 191,972,067	\$ 217,419,400	\$ 224,315,500	\$ 260,664,047	\$ 346,211,371
City direct sales tax rate	2.20%	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	City Direct Rate	Overlapping Rates				Alpine School District	Total Levy for Saratoga Springs Residents
		Utah County Levy	Local Assessment Levy	State Assessment/ Collecting	Cent Ut Levy		
2010	0.002744	0.001108	0.000024	0.000162	0.000421	0.008220	0.012679
2011	0.003120	0.001143	0.000027	0.000172	0.000436	0.008812	0.013710
2012	0.003054	0.001127	0.000029	0.000168	0.000455	0.008828	0.013661
2013	0.002761	0.001006	0.000095	0.000158	0.000447	0.008699	0.013166
2014	0.002233	0.000916	0.000022	0.000013	0.000447	0.008096	0.011727
2015	0.002083	0.000870	0.000028	0.000228	0.000405	0.008070	0.011684
2016	0.001994	0.000834	0.000025	0.000190	0.000400	0.007718	0.011161
2017	0.001731	0.000732	0.000170	0.000200	0.000419	0.007310	0.010094
2018	0.001731	0.000732	0.000170	0.000009	0.000420	0.007033	0.010095
2019	0.001570	0.000672	0.000158	0.000009	0.000419	0.006699	0.009527

Source: Utah County Assessors Office

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

http://www.utahcounty.gov/Dept/Treas/TaxRates/TaxRatesYear.asp?tax_year=2016&button=Search

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
2011	1.80	0.25	4.70	6.75
2012	1.80	0.25	4.70	6.75
2013	1.80	0.25	4.70	6.75
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

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 Eight Calendar Years**

Tax Year End 12/31	Total Taxes Levied	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)
2011	\$ 2,322,946	\$ 19,180	\$ 2,303,766	\$ 2,079,374	\$ 575,767	\$ 2,655,141	90.26%	115.25%
2012	2,330,527	15,364	2,315,163	2,134,668	678,428	2,813,096	92.20%	121.51%
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%

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	Capital Leases	Water Interim Warrant Certificate	Water Revenue Bonds	Sewer Revenue Bonds	Special Assessment Bonds	Culinary Water System Contract Payable	Capital Leases			
2011	4,000,000 (10)		549,948 (10)	-	5,193,000		4,601,000	15,971,500	68,123	30,383,571	6.73%	1,709
2012	3,860,000		382,431		4,918,000		3,114,374 (11)	15,003,460	37,974	27,316,239	6.07%	1,526
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	5.37%	1,786

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 retirin 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 33,882,076	\$ 30,289,451	\$ 31,081,555	\$ 40,873,471	\$ 46,402,900	\$ 46,192,426	\$ 60,067,207	\$ 63,029,814	\$ 72,021,658	\$ 88,267,513
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 33,882,076	\$ 30,289,451	\$ 31,081,555	\$ 40,873,471	\$ 46,402,900	\$ 46,192,426	\$ 60,067,207	\$ 63,029,814	\$ 72,021,658	\$ 88,267,513
Total net debt applicalbe to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

\$ 2,206,687,827
88,267,513
-
\$ 88,267,513

Source: Utah County Treasurer

Notes: Under Utah State Law, the City of Saratoga Springs' outsdanding 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 2020

Government Unit	Debt Outstanding	Estimated %	Estimated Share of Overlapping Debt
Alpine School District	\$ 625,605,702	5%	\$ 31,280,285
CUWCD	676,400,000	3%	20,292,000
Subtotal, Overlapping debt	1,302,005,702	8%	51,572,285
 Saratoga Springs Direct Debt	 11,503,583		 11,503,583
Total Direct and overlapping debt	\$ 1,313,509,285		\$ 63,075,868

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 valorem 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					
<u>Sales Tax Revenues</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>	<u>SID Fees</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>	<u>Water Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2011 \$ 1,881,168.00	N/A	N/A	N/A	\$ 447,832.24	\$ 22,644.00	\$ 425,188.24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012 \$ 2,162,610.27	\$ 140,000	\$ 148,500	7.5	\$ 1,631,518.92	\$ 207,479.96	\$ 1,424,038.96	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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
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
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	\$ 1,026,235.66	\$ 850,000	\$ 534,976	0.7

2018 Sewer Revenue Bonds						
Debt Service						
<u>Sewer Revenues</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>	
2011 N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012 N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013 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
2015 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
2017 N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018 \$ 4,741,279	\$ 1,568,774	\$ 3,172,505	\$ -	\$ -	#DIV/0!	
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	

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:	Year	City of Saratoga Springs	Personal Income	Per Capita Income	Median Age	Unemployment Rate
	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

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

	<u>2020</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Alpine School District	500-999	1
Smiths Marketplace	250-499	2
Walmart Super Center	250-499	2
Little Scholars Preschool	100-249	3
ABC Great Beginnings	100-249	3
Dean Fluor, LLC	50-99	4
Fat Cats	50-99	4
McDonalds	50-99	4
Rei Steel LLC	50-99	4
Taco Bell	50-99	4
VASA Fitness	50-99	4

	<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Wal-mart Stores Inc	350-500	1
Alpine School District	250-350	2
Smith's Food and 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 #1088	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	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government										
Administration	7.7	7.3	7.5	8.5	8.2	10.0	7.7	7.3	9.0	8.2
Attorney	0.5	1.5	1.5	2.5	2.1	2.9	3.1	3.1	3.1	3.0
Planning	2.0	2.0	3.0	3.5	3.7	4.6	5.4	5.1	5.6	6.3
Courts	2.0	2.4	2.4	3.0	2.0	3.0	2.5	2.0	2.3	1.8
Public Safety										
Police (1)	33.9	36.0	36.0	34.5	37.9	42.0	47.0	50.9	53.9	50.4
Fire	21.0	22.5	22.5	16.0	23.3	17.5	20.0	21.3	23.0	32.8
Building inspection	4.0	3.0	4.0	5.0	5.0	8.6	8.7	8.7	10.1	9.3
Public Works										
Public Works	1.0	2.4	2.4	6.0	4.0	5.5	5.4	5.5	6.3	6.8
Engineering	7.0	6.7	7.7	6.5	5.1	5.0	4.0	4.0	4.0	4.8
Highways and streets	2.0	2.0	2.0	4.0	4.3	7.0	10.8	8.0	9.0	7.3
Water	5.7	5.0	5.0	5.5	8.0	8.8	9.4	10.0	12.9	12.1
Sewer	2.3	3.0	3.0	3.0	2.5	2.8	1.7	2.8	2.8	3.3
Parks and recreation	5.5	7.8	8.8	2.5	11.7	16.53	21.21	18.4	23.8	19.6
Other								24.13	25.6	21.3
Total	94.6	101.6	105.8	100.5	117.77	134.23	147.1	146.9	191.4	186.8

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>2020</u>
Fire Protection	
Number of Full-time employees	17
Number of Part-time employees	18
Fire calles for service	613
Medical Calls for Service	803
Police Protection	
Number of Officers- Saratoga Springs	36
Number of Officers- Bluffdale	16
Police calls for service- Saratoga Springs	17,608
Police calls for service- Bluffdale	9,184
Municipal Water Services	
Number of connections	9465
Gallons billed/day	1,587,762
Municipal Sewer Services	
Number of connections	9,465
Municipal Refuse Services	
Number of first cans	7,859
Number of second cans	5,435
Number of recycle cans	7,947
Business Licenses	
Number of licenses issued	385
Building and Construction	
Number of building permits issued	1,346
Number of residential units- single family	545
Number of residential units- multi-family	570
Parks & Recreation	
Number of Basketball Participants	1,926
Number of Football Participants	354
Number of Soccer	1,533
Number of Baseball	1,744
Number of Fishing	25
Number of Camps/Tournaments	942
Number of Tennis	138
Number of Golf	122
Number of Volleyball	178
Number of Pickleball	138
Number of Track/Cross Country	33

Source: City Departments

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

	<u>2020</u>
Streets	
Number of lane miles	247.9
Number of street lights	2,427
Fire Protection	
Number of Stations	2
Number of hydrants	1,831
Number of fire pumping vehicles	3
Police Protection	
Number of stations	1
Education	
Number of high schools	1
Number of junior high schools	2
Number of elementary schools	7
Municipal Water Facilities	
Miles of water mains	324.1
Municipal Sewer Facilities	
Miles of sewer mains	143.5
Parks & Recreation	
Number of parks	31
Park and open space acreage	335.1

Source: City Departments

Schedule 21
CITY OF SARATOGA SPRINGS CITY UTAH
Five Year Financial Summaries
Last Five Fiscal Years

	Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
ASSETS					
Cash and Investments	\$39,461,737	\$39,609,385	\$44,883,339	\$52,796,592	\$69,366,009
Receivables (not of allowances for uncollectables)	1,739,455	1,096,218	3,392,264	2,451,124	4,437,753
Prepaid and inventories	18,477		120,000		
Deferred charges					
Restricted cash and investments	2,787,320	3,391,770	19,861,313	7,086,454	2,862,129
Due from other funds	4,083,136	3,789,823			
Due from other governmental units	2,396,502	2,396,502	2,897,153	3,213,403	3,668,622
Speical Assessment Receivable			2,544,927	3,149,206	
Pension assets	6,995	4,648	114,164		343,220
Capital assets					
Land	20,201,852	21,265,004	25,437,888	26,373,788	27,376,707
Water Rights	15,720,925	15,954,480	16,212,529	18,498,848	21,026,348
Construction in progress	418,799	4,945,709	11,365,077	9,623,342	14,283,250
Capital assets not of accumulated depreciation					
Buildings and systems	4,299,569	4,027,788	6,265,925	6,265,925	14,665,356
Improvements other than buildings					
Machinery and equipment	2,755,463	2,094,599	7,978,860	8,995,345	9,820,140
Infrastructure	62,887,291	59,819,294	289,900,475	321,063,329	352,175,855
Accumulated Depreciation			(105,832,938)	(118,463,931)	(132,607,108)
Deferred outflows of resources					
Pension related deferred outflows	1,489,687		2,605,063	3,071,841	2,110,452
Total Assets and deferred Outflows	<u>\$158,267,208</u>	<u>\$158,395,220</u>	<u>\$327,746,039</u>	<u>\$344,125,266</u>	<u>\$389,528,733</u>
LIABILITIES					
Accounts Payable	\$2,667,915	\$750,027	\$5,382,664	\$4,659,044	\$5,084,655
Accrued interest payable	335,642	364,000	180,198	190,681	105,485
Due to other funds	4,083,136	149,461	415,858	525,393	609,609
Deposits	8,418,144	4,626,197	8,005,219	8,704,959	16,316,796
Unearned revenue					
Nonconcurrent Liability					
Net pension Liability	2,255,727	3,076,126			
Due or payable within one year	2,152,177	3,063,900	3,364,057	3,681,043	3,360,878
Due or payable after one year	24,787,422	47,241,272	55,780,695	54,207,564	44,613,482
Total Liabilities	<u>\$44,700,163</u>	<u>\$59,270,983</u>	<u>\$73,128,691</u>	<u>\$71,968,684</u>	<u>\$70,090,905</u>
Deferred inflows of resources					
Pension related deferred inflows	\$340,125		\$1,628,073	\$187,065	\$1,336,708
Property tax levied for future years			2,897,153.00	3,213,403.00	3,668,622.00
NET POSITION					
Net investment in capital assets	190,585,917	223,940,044	223,665,022	240,541,175	264,403,543
Restricted for debt service	2,787,320	5,926,731			
Restricted for capital improvements					
Restricted for roads					
Unrestricted	30,566,807	31,989,284	26,427,100	28,214,939	50,028,955
Total net position	<u>224,280,169</u>	<u>261,856,059</u>	<u>254,617,348</u>	<u>272,156,582</u>	<u>319,437,828</u>
Total liabilities, deferred inflows and net position	<u>\$268,980,332</u>	<u>\$321,127,042</u>	<u>\$327,746,039</u>	<u>\$344,125,266</u>	<u>\$389,528,733</u>

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



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDEL A HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

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, 2020 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 12, 2020.

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*.

AMERICAN FORK OFFICE
85 NORTH CENTER STREET
AMERICAN FORK, UT 84003
(801) 756-9666
FAX (801) 756-9667

PROVO OFFICE
190 WEST 800 NORTH #100
PROVO, UT 84601
(801) 377-5300
FAX (801) 373-5622

HEBER OFFICE
45 SOUTH MAIN ST
HEBER, UT 84032
(435) 654-6477
FAX (801) 373-5622

WWW.GILBERTANDSTEWART.COM

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 12, 2020



GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDEL A. HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H. PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

**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, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Utah Retirement Systems
- Restricted Taxes and Related Revenues
- Open and Public Meetings Act
- Public Treasurer's Bond
- Cash Management

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, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated November 12, 2020 as items 2020-1 and 2020-2. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying letter to management dated November 12, 2020 as items 2020-1 and 2020-2. The City's response was not subjected to the 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 12, 2020