

COUNTY OF SARATOGA, NEW YORK

Financial Statements and
Supplemental Information

December 31, 2009

(With Independent Auditors' Report Thereon)

COUNTY OF SARATOGA, NEW YORK

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Saratoga, New York as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Saratoga County Industrial Development Agency and Saratoga County Water Authority, is based on the reports of the other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Saratoga, New York, as of December 31, 2009, 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 conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 15, 2010, on our consideration of County of Saratoga, New York'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis information on pages 3 through 6 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Saratoga's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Toski, Schaefer & Co, P.C.

Williamsville, New York
July 15, 2010

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

EXECUTIVE SUMMARY

Historically, Saratoga County's (the County) growing property and sales tax bases and tight fiscal management have allowed it to face exploding Medicaid costs, other expanding New York State (the State) mandates, and a sluggish economy, without tax rate increases. Now, with Medicaid capped, the short to mid-range fiscal outlook is guardedly healthy. As the U.S. and the State economies become more strained it will be an opportunity and challenge for the County to remain economically sound and continue to grow and prosper.

The County's finances are expected to be positive for the near future. Real property taxable full valuation of the County has increased in the past year by 2.3%, and since 2004 it has increased by 63.5% to \$22,567,270,688. The level of taxation is \$2.16 per thousand, or 15.36% of the County's constitutional tax limit. Tax revenues for 2009 increased from 2008 by 6% to \$47,354,857. The 2009 sales tax revenue decreased from the previous year by 7%, and decreased from 2007 by 3.12%. The County's government-wide net assets decreased by \$16,761,508. This was caused primarily by the recognition of additional other postemployment benefit (OPEB) expenses of \$29,018,090 in 2009.

COUNTY OF SARATOGA'S ECONOMY

The County's economy relies heavily on agriculture and tourism. Centered on the world famous Saratoga Racetrack, the County's tourism offerings are varied and resistant to recession. Agriculture constitutes a strong segment of Saratoga's economy. Chip manufacturer, Global Foundries, is in the middle stages of developing their multibillion dollar fabrication plant in the County, which will be in production by mid-2012.

COUNTY OF SARATOGA GOVERNMENT SERVICES

Services provided by Saratoga County government are those typically provided by New York State counties. Much of any county's operation and finances are mandated by the State, and little flexibility or discretion is left to individual counties. In the case of Saratoga, well over 75% of its general revenues are used to comply with State mandates. Those revenues are received from the State and Federal governments.

The services provided by County government are accounted for through a General Fund and five Special Purpose Funds, two of which are Enterprise Funds. Through a separate fund, the County insures itself and most municipalities in the County for workers' compensation. Other services are provided by entities related to the County: the Saratoga County Industrial Development Agency, the Saratoga County Soil and Water District, the Saratoga County Water Authority and the Saratoga Lake Improvement District.

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

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

The maintenance of the County's 99 bridges and 360 miles of highways are accounted for in two of the Special Purpose Funds at a total "modified accrual" cost. In 2009, \$19,745,100 was expended of which \$13,907,070 was provided by Saratoga County taxpayers. Another Special Purpose Fund accounts for the County's employment and training activities to the extent that they are paid for with Federal funds under the Work Force Investment Act. During 2009, \$1,140,724 was expended to serve County residents in need of this service.

Activities of the County's Sewer District that serves the southern and eastern portions of the County are accounted for in one of the County's Enterprise Funds. The Sewer District received sewage from 64,000 "equivalent domestic units," through a 310-mile collector system and treated it at a 21.3 million-gallon/day treatment plant. The 2009 cost of the Sewer Fund was \$8,959,597.

Maplewood Manor, the County's long-term care facility, is accounted for in the County's other Enterprise Fund. After years of debate and discussions, State lawmakers enacted comprehensive Medicaid reimbursement reform in the 2006-2007 State budget which recognized the desperate financial condition of the nursing home system of care by updating the 1983 base year to 2002 and incorporating a number of features aimed at providing stability, assuring patient access, advancing quality and reflecting today's care needs. This new system became effective on January 1, 2009; however, there is now a delay in implementation. Pursuant to New York State Public Health Law, in 2009 the nursing home reimbursement methodology began the transition to a new payment system more closely resembling the Federal Prospective Payment System (PPS). Due to delays in the implementation of these changes retrospective to April 1, 2009 by the State, the rates have not been paid to Maplewood Manor as of December 1, 2009. These new updated rates will increase Medicaid revenue, but are still insufficient to maintain the high level of service at the facility that our patients are entitled to, and which is required by the New York State Department of Health. For the year ended December 31, 2009, resident service revenue increased to approximately \$19.1 million from \$18.3 million during 2008. Other revenue dropped from \$928,736 for the year ended December 31, 2008 to \$468,629 for the year ended December 31, 2009 due to the loss of grant funding. Operating expenses for the year ended December 31, 2009 were \$29.2 million, compared to \$28.5 million for the year ended December 31, 2008. Due to the insufficiency of Medicaid fees, the County transferred \$3,784,208 in 2009 and \$946,447 in 2008. IGT funding provided some relief in 2008 with \$10,087,134. The 2009 IGT funding was only \$945,841.

COUNTY OF SARATOGA, NEW YORK

Management's Discussion and Analysis, Continued

The wide variety of the remaining services provided by County government are accounted for in the County's General Fund, including financial assistance to the poor and social services to the poor, the elderly, veterans, children at risk and children in general; public safety services such as a sheriff's road patrol, fire and other emergency response coordination and communications, a jail, and an animal shelter; education funding to those attending community college and to preschool children with special needs; health services to the general public in the form of public health service and mental health coordination and individual care in the form of home health care and mental health services; promotion of agriculture and tourism and other economic development activities; and services to the court system including prosecution (District Attorney), recordkeeping (County Clerk), the holding of bail and other court funds (County Treasurer), and a variety of other services. Other services to the public include the preservation and cataloging of important documents (County Clerk and Historian), motor vehicle offices, consumer protection, and environmental and forestry management. The County serves the public and other levels of local government through the Planning Board, the Board of Elections, Real Property Tax Service, and the tax collection services of the County Treasurer. These services, together with the County's administrative costs and a small number of grants to community, historical, and cultural organizations, are provided at a total "modified accrual" cost. For the year ended December 31, 2009, the General Fund expended \$194,634,480 and the general tax revenue amounted to \$47,354,857.

Many of these services are mandated by New York State and in several areas the expenditures themselves are mandated, with the County having little or no control over the expenditure level. In most cases, the County receives State and/or Federal reimbursement for some, but not all, of those expenditures.

ANALYSIS OF THE COUNTY'S BUDGET AND FUND-BASIS FINANCES IN 2009

The 2009 General Fund budget included \$16,821,454 in transfers to other funds. Of the County's two Enterprise Funds, the Sewer District had a profit of \$2,661,407, while Maplewood Manor had a loss of \$4,899,609, primarily from the recognition of \$4,781,071 for additional OPEB expense in 2009. The other budgeted funds were balanced without involving fund balance.

The County's actual expenditures in the General Fund during 2009 were \$22,786,822 under the revised budget amount. Revenue was also under the revised budget by \$24,262,824. The decrease in revenue was due in large part to a 7% decrease in sales tax revenue and a \$12,461,504 decrease in State aid. Actual expenditures were down in all organizational functions except culture and recreation with the largest variance in general government support.

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

ANALYSIS OF THE COUNTY'S CAPITAL INVESTMENT AND BONDED INDEBTEDNESS

The County's investment, including Maplewood Manor, in capital assets at the end of 2009 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Debt</u>	<u>Net</u>
Land	\$ 3,999,757	-	-	3,999,757
Buildings	178,386,649	81,693,495	12,895,000	83,798,154
Machinery and equipment	32,050,425	16,403,249	8,052,214	7,594,962
Roads and bridges	83,662,907	37,922,440	-	45,740,467
Sewer infrastructure	41,356,285	35,930,565	27,015,000	(21,589,280)
Work-in-progress	<u>26,080,717</u>	<u>-</u>	<u>-</u>	<u>26,080,717</u>
Totals	\$ <u>365,536,740</u>	<u>171,949,749</u>	<u>47,962,214</u>	<u>145,624,777</u>

ANALYSIS OF COUNTY'S GOVERNMENT-WIDE FINANCIAL POSITION DURING 2009

During 2009, the County's government-wide net assets decreased by \$16,761,508. Governmental activities net assets decreased by \$14,381,553 which was due in large part by the recognition of additional OPEB expense. The Sewer District's \$2,661,407 increase in net assets was due to the construction of and maintenance to infrastructure.

FUTURE PROSPECTS FOR THE COUNTY'S FINANCES

Maplewood Manor's fiscal condition will continue to drain the County's very good fiscal position.

The recognition, beginning in 2008, of other postemployment benefit liabilities has had a negative effect on the County's net assets. The County has maintained a health insurance program for its retirees and the calculation of the present value of that promise will induce some substantial reductions in net assets. In spite of the Maplewood drain, the County's financial position and its prospects for near-term revenue growth provide it with an opportunity to responsibly fund this promise over several decades.

Growth is, of course, both an opportunity and a challenge. Saratoga County will continue to seize that opportunity and meet that challenge. The development of fabrication industries in the County will bring employment opportunities along with revenue growth. People continue to move into Saratoga County from neighboring counties. We can expect near economic stability that others will not.

REQUESTS FOR INFORMATION

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

COUNTY OF SARATOGA, NEW YORK
Government-Wide Financial Statements
Statement of Net Assets
December 31, 2009

	Primary Government			Component Units		Total
	Governmental Activities	Business-Type Activities	Total	Saratoga County IDA	Saratoga County Water Authority	
Assets:						
Cash and equivalents	\$34,184,108	22,463,367	56,647,475	2,545,135	12,107,190	14,652,325
Receivables, net of allowance for uncollectibles	22,492,920	3,322,947	25,815,867	850,000	5,158,293	6,008,293
Due from other governments	35,421,331	4,601,785	40,023,116	-	-	-
Due from other activities and funds	372,086	747,131	1,119,217	-	-	-
Inventories	1,391,418	63,515	1,454,933	-	-	-
Prepaid expenses	961,445	101,122	1,062,567	-	-	-
Long-term due from other governments	3,142	-	3,142	-	-	-
Restricted assets:						
Cash and equivalents	-	16,150,665	16,150,665	-	-	-
Resident assets	-	208,659	208,659	-	-	-
Capital assets, net of accumulated depreciation:						
Land	3,910,757	89,000	3,999,757	168,138	-	168,138
Buildings	31,672,861	65,020,293	96,693,154	-	-	-
Improvements other than buildings	-	9,080	9,080	-	-	-
Autos	8,581,028	69,962	8,650,990	-	-	-
Machinery and equipment	5,957,607	1,029,500	6,987,107	-	95,359	95,359
Infrastructure	45,740,467	5,425,720	51,166,187	-	-	-
Construction work in progress	-	26,080,717	26,080,717	-	71,159,160	71,159,160
Total assets	<u>190,689,170</u>	<u>145,383,463</u>	<u>336,072,633</u>	<u>3,563,273</u>	<u>88,520,002</u>	<u>92,083,275</u>
Liabilities:						
Accounts payable and other current liabilities	10,573,796	18,301,578	28,875,374	-	3,421,446	3,421,446
Due to other governments	25,351,785	50,798	25,402,583	-	4,521,875	4,521,875
Due to other activities and funds	(1,236,739)	1,327,760	91,021	-	-	-
Bond anticipation notes	-	23,700,000	23,700,000	-	-	-
Accrued compensated absences	2,248,520	744,114	2,992,634	-	-	-
Deferred revenue	6,539,168	219,992	6,759,160	-	-	-
Resident funds and security deposits	-	208,659	208,659	-	1,126,167	1,126,167
Retainage payable	139,660	-	139,660	-	-	-
Long-term liabilities:						
Due within one year	750,000	1,945,283	2,695,283	-	-	-
Due in more than one year	11,190,000	34,076,931	45,266,931	-	45,000,000	45,000,000
Other postemployment benefits liability	46,426,784	16,002,525	62,429,309	-	-	-
Total liabilities	<u>101,982,974</u>	<u>96,577,640</u>	<u>198,560,614</u>	<u>-</u>	<u>54,069,488</u>	<u>54,069,488</u>
Net assets:						
Invested in capital assets, net of related debt	83,922,720	61,702,057	145,624,777	168,138	34,450,514	34,618,652
Restricted for self-insurance contributed reserve	-	5,633,035	5,633,035	-	-	-
Restricted for inventory	1,393,367	-	1,393,367	-	-	-
Restricted for law enforcement activities	35,507	-	35,507	-	-	-
Restricted for other purposes	3,473	-	3,473	-	-	-
Restricted for capital improvements	11,998,566	(9,416,233)	2,582,333	-	-	-
Unrestricted	<u>(8,647,437)</u>	<u>(9,113,036)</u>	<u>(17,760,473)</u>	<u>3,395,135</u>	<u>-</u>	<u>3,395,135</u>
Total net assets	<u>\$88,706,196</u>	<u>48,805,823</u>	<u>137,512,019</u>	<u>3,563,273</u>	<u>34,450,514</u>	<u>38,013,787</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Government-Wide Financial Statements
Statement of Activities
Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenue			Net (Expenses) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Primary Government Total	
Governmental activities:								
General government support	\$ 73,151,105	7,706,849	3,263,628	-	(62,180,628)	-	(62,180,628)	-
Education	17,727,006	-	5,631,809	-	(12,095,197)	-	(12,095,197)	-
Public safety	33,285,216	2,193,299	736,061	-	(30,355,856)	-	(30,355,856)	-
Health	20,529,618	8,509,323	7,488,761	-	(4,531,534)	-	(4,531,534)	-
Transportation	18,426,194	432,521	2,456,517	2,956,768	(12,580,388)	-	(12,580,388)	-
Economic opportunity and development	60,566,318	2,817,358	22,351,308	-	(35,397,652)	-	(35,397,652)	-
Culture and recreation	1,184,323	264,087	285,467	-	(634,769)	-	(634,769)	-
Home and community services	2,662,928	-	136,046	-	(2,526,882)	-	(2,526,882)	-
Total governmental activities	227,532,708	21,923,437	42,349,597	2,956,768	(160,302,906)	-	(160,302,906)	-
Business-type activities:								
Maplewood Manor	29,192,825	19,534,743	945,841	-	-	(8,712,241)	(8,712,241)	-
Sewer District	8,959,597	11,152,782	-	-	-	2,193,185	2,193,185	-
Self insurance	4,279,452	4,066,435	-	-	-	(213,017)	(213,017)	-
Total business-type activities	42,431,874	34,753,960	945,841	-	-	(6,732,073)	(6,732,073)	-
	\$ 269,964,582	56,677,397	43,295,438	2,956,768	(160,302,906)	(6,732,073)	(167,034,979)	-
Component unit:								
Saratoga County Water Authority	-	-	-	7,241,303	-	-	-	7,241,303
Saratoga County Industrial Development Agency	\$ 177,837	1,202,028	-	-	-	-	-	1,024,191
General revenue:								
Real property tax and related tax items					51,437,004	-	51,437,004	-
Non-property tax items					93,797,090	-	93,797,090	-
Tobacco settlement proceeds					2,651,448	-	2,651,448	-
Interest earnings					410,418	567,910	978,328	263,448
Other general revenue					1,409,601	-	1,409,601	-
					149,705,561	567,910	150,273,471	263,448
Transfers from governmental to business-type activities					(3,784,208)	3,784,208	-	-
Total general revenue and transfers					145,921,353	4,352,118	150,273,471	-
Change in net assets					(14,381,553)	(2,379,955)	(16,761,508)	8,528,942
Net assets at beginning of year, as originally stated					103,087,749	47,162,195	150,249,944	2,275,634
Prior period adjustment					-	4,023,583	4,023,583	27,209,211
Net assets at beginning of year, restated					103,087,749	51,185,778	154,273,527	29,484,845
Net assets at end of year	\$ 88,706,196				48,805,823	137,512,019	38,013,787	

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Fund Financial Statements
Balance Sheet - Governmental Funds
December 31, 2009

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Assets:				
Cash and equivalents	\$ 23,419,986	10,622,993	141,129	34,184,108
Taxes receivables, net of allowance for uncollectibles	19,201,075	-	-	19,201,075
Receivables from other governments	35,374,434	-	46,897	35,421,331
Other receivables, net of allowance for uncollectibles	2,712,383	1,755	577,707	3,291,845
Inventories	29,609	-	-	29,609
Due from other funds	4,939,031	8,383,317	1,725,641	15,047,989
Miscellaneous	-	-	3,142	3,142
Total assets	<u>\$ 85,676,518</u>	<u>19,008,065</u>	<u>2,494,516</u>	<u>107,179,099</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	9,333,166	377,955	798,822	10,509,943
Other liabilities	1,930,898	-	317,622	2,248,520
Retained percentages	130,437	7,923	1,300	139,660
Due to other governments	21,431,780	-	-	21,431,780
Deferred revenue	21,633,415	-	-	21,633,415
Due to other funds	<u>6,483,562</u>	<u>5,963,470</u>	<u>992,132</u>	<u>13,439,164</u>
Total liabilities	<u>60,943,258</u>	<u>6,349,348</u>	<u>2,109,876</u>	<u>69,402,482</u>
Fund balances:				
Reserved for:				
Encumbrances	165,164	596,298	349,133	1,110,595
Inventory	31,558	-	-	31,558
Capital improvements	-	12,062,419	-	12,062,419
Law enforcement activities	-	-	35,507	35,507
Other purposes	3,473	-	-	3,473
Unreserved:				
Appropriated for 2010	3,180,322	-	-	3,180,322
Unappropriated	<u>21,352,743</u>	-	-	<u>21,352,743</u>
Total fund balances	<u>24,733,260</u>	<u>12,658,717</u>	<u>384,640</u>	<u>37,776,617</u>
Total liabilities and fund balances	<u>\$ 85,676,518</u>	<u>19,008,065</u>	<u>2,494,516</u>	<u>107,179,099</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
 Reconciliation of the Total Fund Balances in the
 Governmental Funds to the Statement of Net Assets
 December 31, 2009

Total fund balances in the fund financial statements for the Governmental Funds	\$ 37,776,617
This amount differs from the amount of net assets shown in the statement of net assets for governmental activities due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	95,862,720
Payments for retirement system contributions covering the period January 1, 2009 to March 31, 2009 are recognized as prepaid expenses, a current asset in the government-wide statements.	961,445
Levied but uncollected real property taxes shown as deferred tax revenue in the Governmental Fund financial statements and collection of prior year taxes are recognized as revenue and additions to net assets in the government-wide statements.	5,484,223
Revenue that was earned, measurable but not available is recorded as revenue in the government-wide financial statements.	5,690,019
Significant inventories of materials and supplies are included in the government-wide statements as current assets.	1,361,809
Long-term debt accrued interest	(63,853)
Issuance of serial bond	(11,940,000)
Other postemployment benefits liability	<u>(46,426,784)</u>
Total net assets of the governmental activities	<u>\$ 88,706,196</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Fund Financial Statements
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2009

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Revenue:				
Real property taxes	\$ 47,354,857	-	-	47,354,857
Other real property tax items	3,204,256	-	-	3,204,256
Non-property taxes	93,797,090	-	-	93,797,090
Departmental income	17,890,134	-	90,056	17,980,190
Intergovernmental charges	2,151,124	-	203,444	2,354,568
Use of money and property	659,870	-	1,176,039	1,835,909
Licenses and permits	20,761	-	-	20,761
Fines and forfeitures	391,916	-	26,166	418,082
Sale of property and compensation for loss	2,774,944	-	440,701	3,215,645
Miscellaneous	502,560	9,112	964,778	1,476,450
State aid	22,029,659	-	2,282,552	24,312,211
Federal aid	19,211,675	62,490	1,719,989	20,994,154
Serial bonds	-	11,940,000	-	11,940,000
Total revenue	<u>209,988,846</u>	<u>12,011,602</u>	<u>6,903,725</u>	<u>228,904,173</u>
Expenditures:				
Current:				
General government support	66,485,574	-	-	66,485,574
Education	17,727,006	-	-	17,727,006
Public safety	26,550,939	-	598,025	27,148,964
Health	18,731,392	-	-	18,731,392
Transportation	112,279	-	18,262,377	18,374,656
Economic opportunity and development	56,538,243	83,097	1,140,724	57,762,064
Culture and recreation	1,111,752	-	-	1,111,752
Home and community service	1,878,819	-	-	1,878,819
Capital outlay:				
General government support	970,289	2,478,094	-	3,448,383
Public safety	628,119	-	-	628,119
Health	61,532	-	-	61,532
Transportation	2,851,458	-	887,255	3,738,713
Economic opportunity and development	32,628	-	-	32,628
Home and community service	684,050	-	-	684,050
Debt interest	270,400	-	-	270,400
Total expenditures	<u>194,634,480</u>	<u>2,561,191</u>	<u>20,888,381</u>	<u>218,084,052</u>
Other financing sources (uses):				
Interfund transfers in	-	-	13,907,070	13,907,070
Interfund transfers out	(17,691,278)	-	-	(17,691,278)
Total other financing sources (uses)	<u>(17,691,278)</u>	<u>-</u>	<u>13,907,070</u>	<u>(3,784,208)</u>
Net change in fund balances	(2,336,912)	9,450,411	(77,586)	7,035,913
Fund balances at beginning of year	<u>27,070,172</u>	<u>3,208,306</u>	<u>462,226</u>	<u>30,740,704</u>
Fund balances at end of year	<u>\$ 24,733,260</u>	<u>12,658,717</u>	<u>384,640</u>	<u>37,776,617</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
 Reconciliation of the Statement of Revenue, Expenditures, and
 Changes in Fund Balances of the Governmental Funds to the
 Change in Net Assets in the Statement of Activities
 Year Ended December 31, 2009

Net change in fund balances shown for total Governmental Funds \$ 7,035,913

This amount differs from the change in net assets of governmental activities shown in the statement of activities because of the following:

Capital outlays for acquisition of capital assets are recorded in Governmental Funds as expenditures. However, in the statement of activities, costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This amount represents the differences between expenditures for acquisition of capital assets and depreciation expense for the period.

Expenditures for acquisition of capital assets	\$10,625,667	
Depreciation expense	<u>(6,065,761)</u>	4,559,906

Revenue that was deferred for the Youth Bureau because it was not collected during the availability period.		5,602,964
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Revenue that was earned and measurable, but not available, is recorded as revenue in the government-wide financial statements.		(3,863,536)
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Collections of prior year real property taxes and other revenue are shown as deferred revenue in the prior year and current year revenue in the year collected. This amount represents collections of prior year unpaid taxes and other revenue received in 2009 that are deducted from revenue in the government-wide financial statements.		877,891
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Collections of prior year planning revenue is shown as deferred revenue in the prior year and current year revenue in the year collected.		87,052
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Expenditures for inventory within certain Governmental Funds are recorded as expenditures when paid. In the statement of activities, these costs are allocated over the time periods the items are consumed.		(175,007)
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The annual payment for retirement system contributions is billed in advance for the payroll period April 1 to March 31. In the Governmental Funds, these contributions are shown as expenditures when the payment is due, which initially is December 15. In the statement of activities, these costs are allocated over the payroll period they pertain to. The allocations for the period January 1 to March 31 of the subsequent year are shown as prepaid expenses. This is the difference between the amounts billed and allocated over the applicable periods.

Current year prepaid amount	961,445	
Prior year prepaid amount	<u>(1,003,885)</u>	(42,440)

Other postemployment benefits		(16,460,443)
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Accrued interest on long-term debt		(63,853)
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Proceeds from long-term debt recorded as other financing sources in the Government Funds.		<u>(11,940,000)</u>
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Change in net assets of governmental activities shown in the statement of activities		<u><u>\$ (14,381,553)</u></u>
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See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Fund Financial Statements
Statement of Revenue, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Revised</u>
	<u>Adopted</u>	<u>Revised</u>		
Revenue:				
Real property taxes	\$47,141,232	47,141,232	47,354,857	213,625
Other real property tax items	2,807,025	2,807,025	3,204,256	397,231
Non-property taxes	108,423,100	108,423,100	93,797,090	(14,626,010)
Departmental income	15,467,189	15,476,899	17,890,134	2,413,235
Intergovernmental charges	2,564,578	2,564,578	2,151,124	(413,454)
Use of money and property	1,877,514	2,012,714	659,870	(1,352,844)
Licenses and permits	22,000	22,000	20,761	(1,239)
Fines and forfeitures	401,000	401,000	391,916	(9,084)
Sale of property and compensation for loss	2,452,000	2,452,000	2,774,944	322,944
Miscellaneous	77,000	83,000	502,560	419,560
State aid	31,623,083	36,257,766	23,796,262	(12,461,504)
Federal aid	13,780,558	16,610,356	17,445,072	834,716
Total revenue	<u>226,636,279</u>	<u>234,251,670</u>	<u>209,988,846</u>	<u>(24,262,824)</u>
Expenditures:				
General government support	23,307,021	74,324,107	67,455,863	6,868,244
Education	20,762,880	20,758,942	17,727,006	3,031,936
Public safety	28,450,761	28,844,630	27,179,058	1,665,572
Health	20,660,102	20,836,391	18,792,924	2,043,467
Transportation	1,651,381	5,650,762	2,963,737	2,687,025
Economic opportunity and development	58,947,690	60,551,502	56,570,871	3,980,631
Culture and recreation	1,028,872	1,082,012	1,111,752	(29,740)
Home and community service	54,005,048	5,102,556	2,562,869	2,539,687
Debt service	135,200	270,400	270,400	-
Total expenditures	<u>208,948,955</u>	<u>217,421,302</u>	<u>194,634,480</u>	<u>22,786,822</u>
Other financing sources (uses):				
Appropriated fund balance	3,037,351	4,841,999	-	(4,841,999)
Interfund transfers out	<u>(20,722,675)</u>	<u>(21,663,453)</u>	<u>(17,691,278)</u>	<u>3,972,175</u>
Total other financing uses	<u>(17,685,324)</u>	<u>(16,821,454)</u>	<u>(17,691,278)</u>	<u>(869,824)</u>
Net change in appropriated fund balance (budget) and fund balance (actual)	2,000	8,914	(2,336,912)	(2,345,826)
Fund balance at beginning of year	<u>33,159,529</u>	<u>23,022,767</u>	<u>27,070,172</u>	<u>4,047,405</u>
Fund balance at end of year	<u>\$33,161,529</u>	<u>23,031,681</u>	<u>24,733,260</u>	<u>1,701,579</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Fund Financial Statements
Statement of Net Assets - Proprietary Funds and Internal Service Fund
December 31, 2009

	Business-type Activities			Internal Service Fund	Total
	Enterprise Funds				
	Maplewood Manor	Sewer District	Subtotal		
Assets:				<u>Self Insurance</u>	
Cash and equivalents	\$ 3,281,409	17,277,005	20,558,414	1,904,953	22,463,367
Receivables, net of allowance for uncollectibles	2,579,829	740,268	3,320,097	2,850	3,322,947
Due from other governments	-	-	-	4,601,785	4,601,785
Due from other funds	-	746,398	746,398	733	747,131
Inventories	63,515	-	63,515	-	63,515
Prepaid expenses	44,325	53,118	97,443	3,679	101,122
Restricted assets:					
Cash and equivalents	-	10,500,000	10,500,000	5,650,665	16,150,665
Resident assets	208,659	-	208,659	-	208,659
Capital assets, net of accumulated depreciation:					
Land	54,000	35,000	89,000	-	89,000
Buildings	3,511,322	61,508,971	65,020,293	-	65,020,293
Improvements other than buildings	9,080	-	9,080	-	9,080
Autos	-	69,962	69,962	-	69,962
Machinery and equipment	962,134	67,366	1,029,500	-	1,029,500
Infrastructure	-	5,425,720	5,425,720	-	5,425,720
Construction work in progress	-	26,080,717	26,080,717	-	26,080,717
Total assets	<u>10,714,273</u>	<u>122,504,525</u>	<u>133,218,798</u>	<u>12,164,665</u>	<u>145,383,463</u>
Liabilities:					
Accounts payable and other current liabilities	605,588	5,564,209	6,169,797	12,131,781	18,301,578
Estimated third-party payor settlements	50,798	-	50,798	-	50,798
Due to other funds	401,975	925,785	1,327,760	-	1,327,760
Bond anticipation notes	-	23,700,000	23,700,000	-	23,700,000
Accrued compensated absences	744,114	-	744,114	-	744,114
Deferred revenue	186,962	-	186,962	33,030	219,992
Resident funds and security deposits	208,659	-	208,659	-	208,659
Noncurrent liabilities:					
Due within one year	460,283	1,485,000	1,945,283	-	1,945,283
Due in more than one year	831,931	33,245,000	34,076,931	-	34,076,931
Other postemployment benefits liability	13,284,370	2,576,548	15,860,918	141,607	16,002,525
Total liabilities	<u>16,774,680</u>	<u>67,496,542</u>	<u>84,271,222</u>	<u>12,306,418</u>	<u>96,577,640</u>
Net assets:					
Invested in capital assets, net of related debt	3,244,321	58,457,736	61,702,057	-	61,702,057
Restricted for self insurance contributed reserve	-	-	-	5,633,035	5,633,035
Restricted for capital improvements	-	(9,416,233)	(9,416,233)	-	(9,416,233)
Unrestricted	(9,304,728)	5,966,480	(3,338,248)	(5,774,788)	(9,113,036)
Total net assets	<u>\$(6,060,407)</u>	<u>55,007,983</u>	<u>48,947,576</u>	<u>(141,753)</u>	<u>48,805,823</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Fund Financial Statements
Statement of Revenue, Expenses, and Changes in Net Assets -
Proprietary Funds and Internal Service Fund
Year Ended December 31, 2009

	Business-type Activities Enterprise Funds			Internal Service	Total
	Maplewood	Sewer District	Subtotal	Fund	
	Manor			Self Insurance	
Operating revenue:					
Rents and charges for sales and services	\$ -	10,550,880	10,550,880	-	10,550,880
Resident service revenue, net of allowances	19,066,114	-	19,066,114	-	19,066,114
Participant assessments	-	-	-	3,734,434	3,734,434
Sale of property and compensation for losses	-	140,046	140,046	-	140,046
Miscellaneous local sources	-	365,009	365,009	332,001	697,010
Other grants and revenue	468,629	96,847	565,476	-	565,476
Total operating revenue	<u>19,534,743</u>	<u>11,152,782</u>	<u>30,687,525</u>	<u>4,066,435</u>	<u>34,753,960</u>
Operating expenses:					
Costs of sales and services	23,786,965	5,116,748	28,903,713	4,220,527	33,124,240
Other postemployment benefits expense	4,781,071	926,950	5,708,021	58,925	5,766,946
Interest	67,620	-	67,620	-	67,620
Depreciation	557,169	2,915,899	3,473,068	-	3,473,068
Total operating expenses	<u>29,192,825</u>	<u>8,959,597</u>	<u>38,152,422</u>	<u>4,279,452</u>	<u>42,431,874</u>
Operating income (loss)	<u>(9,658,082)</u>	<u>2,193,185</u>	<u>(7,464,897)</u>	<u>(213,017)</u>	<u>(7,677,914)</u>
Nonoperating revenue:					
Interest earnings	28,424	468,222	496,646	71,264	567,910
Inter-governmental transfer	945,841	-	945,841	-	945,841
Total nonoperating revenue	<u>974,265</u>	<u>468,222</u>	<u>1,442,487</u>	<u>71,264</u>	<u>1,513,751</u>
Income (loss) before transfers	(8,683,817)	2,661,407	(6,022,410)	(141,753)	(6,164,163)
Transfers from governmental activities to business-type activities	<u>3,784,208</u>	<u>-</u>	<u>3,784,208</u>	<u>-</u>	<u>3,784,208</u>
Change in net assets	<u>(4,899,609)</u>	<u>2,661,407</u>	<u>(2,238,202)</u>	<u>(141,753)</u>	<u>(2,379,955)</u>
Net assets at beginning of year, as originally stated	(1,160,798)	52,346,576	51,185,778	(4,023,583)	47,162,195
Prior period adjustment	-	-	-	4,023,583	4,023,583
Net assets at beginning of year, restated	<u>(1,160,798)</u>	<u>52,346,576</u>	<u>51,185,778</u>	<u>-</u>	<u>51,185,778</u>
Net assets at end of year	<u>\$ (6,060,407)</u>	<u>55,007,983</u>	<u>48,947,576</u>	<u>(141,753)</u>	<u>48,805,823</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Fund Financial Statements
Statement of Cash Flows - Proprietary Funds and Internal Service Fund
Year Ended December 31, 2009

	Business-type Activities Enterprise Funds			Internal Service Fund Self Insurance	Total
	Maplewood Manor	Sewer District	Subtotal		
Cash flows from operating activities:					
Cash received from charges to customers	\$ -	10,703,447	10,703,447	3,208,028	13,911,475
Cash received from residents and third-party payers	16,682,340	-	16,682,340	-	16,682,340
Grants, contributions, and other revenues	-	719,333	719,333	332,001	1,051,334
Payments to employees, payroll taxes, and benefits	(20,040,864)	-	(20,040,864)	-	(20,040,864)
Payments for interest	(67,620)	-	(67,620)	-	(67,620)
Payments to suppliers, vendors, and benefit recipients	<u>(3,594,818)</u>	<u>(1,098,655)</u>	<u>(4,693,473)</u>	<u>(3,237,991)</u>	<u>(7,931,464)</u>
Net cash provided by (used in) operating activities	<u>(7,020,962)</u>	<u>10,324,125</u>	<u>3,303,163</u>	<u>302,038</u>	<u>3,605,201</u>
Cash flows from non-capital financing activities:					
Contribution from General Fund	3,784,208	(3,261,024)	523,184	-	523,184
Advances to other funds	-	(726,226)	(726,226)	98,931	(627,295)
Inter-governmental transfer	945,841	-	945,841	-	945,841
Increase in restricted cash and equivalents	<u>-</u>	<u>15,109,382</u>	<u>15,109,382</u>	<u>(1,381,240)</u>	<u>13,728,142</u>
Net cash provided by (used in) non-capital financing activities	<u>4,730,049</u>	<u>11,122,132</u>	<u>15,852,181</u>	<u>(1,282,309)</u>	<u>14,569,872</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(95,269)	(32,241,436)	(32,336,705)	-	(32,336,705)
Net repayments of bond short-term financing	-	(8,300,000)	(8,300,000)	-	(8,300,000)
Proceeds from long-term debt	(441,290)	23,000,000	22,558,710	-	22,558,710
Repayments of long-term debt	<u>-</u>	<u>(1,080,000)</u>	<u>(1,080,000)</u>	<u>-</u>	<u>(1,080,000)</u>
Net cash used in capital and related financing activities	<u>(536,559)</u>	<u>(18,621,436)</u>	<u>(19,157,995)</u>	<u>-</u>	<u>(19,157,995)</u>
Cash flows from investing activities - interest earned on cash in time deposits	<u>28,424</u>	<u>468,222</u>	<u>496,646</u>	<u>71,264</u>	<u>567,910</u>
Net increase (decrease) in cash and equivalents	<u>(2,799,048)</u>	<u>3,293,043</u>	<u>493,995</u>	<u>(909,007)</u>	<u>(415,012)</u>
Cash and equivalents at beginning of year	<u>6,080,457</u>	<u>13,983,962</u>	<u>20,064,419</u>	<u>2,813,960</u>	<u>22,878,379</u>
Cash and equivalents at end of year	<u>\$ 3,281,409</u>	<u>17,277,005</u>	<u>20,558,414</u>	<u>1,904,953</u>	<u>22,463,367</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	(9,658,082)	2,193,185	(7,464,897)	(213,017)	(7,677,914)
Depreciation expense	557,169	2,915,899	3,473,068	-	3,473,068
Provision for doubtful accounts	50,000	-	50,000	-	50,000
Other postemployment benefits expense	4,781,071	926,950	5,708,021	58,925	5,766,946
Changes in:					
Receivables, net of allowances	(233,547)	269,998	36,451	(528,974)	(492,523)
Inventories	(2,983)	-	(2,983)	-	(2,983)
Prepaid expenses	56,184	(13,362)	42,822	146	42,968
Due to Saratoga County	(909,053)	-	(909,053)	-	(909,053)
Current liabilities	(25,285)	4,028,303	4,003,018	982,390	4,985,408
Estimated third-party payers settlements	(1,824,464)	-	(1,824,464)	-	(1,824,464)
Accrued compensated absences	24,724	3,152	27,876	-	27,876
Deferred revenue	<u>163,304</u>	<u>-</u>	<u>163,304</u>	<u>2,568</u>	<u>165,872</u>
Net cash provided by (used in) operating activities	<u>\$ (7,020,962)</u>	<u>10,324,125</u>	<u>3,303,163</u>	<u>302,038</u>	<u>3,605,201</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Fiduciary Net Assets - Fiduciary Funds
December 31, 2009

	<u>Agency Funds</u>	<u>Permanent Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Total Fiduciary Funds</u>
Assets				
Cash and equivalents	\$ 15,555,688	118,407	-	15,674,095
Restricted cash	<u>-</u>	<u>-</u>	<u>23,998</u>	<u>23,998</u>
Total assets	<u>15,555,688</u>	<u>118,407</u>	<u>23,998</u>	<u>15,698,093</u>
Liabilities				
Agency liabilities	14,527,490	-	1,792	14,529,282
Due to other funds	<u>1,028,198</u>	<u>-</u>	<u>-</u>	<u>1,028,198</u>
Total liabilities	<u>15,555,688</u>	<u>-</u>	<u>1,792</u>	<u>15,557,480</u>
Net Assets	<u>\$ -</u>	<u>118,407</u>	<u>22,206</u>	<u>140,613</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
 Statement of Changes in Fiduciary Net Assets -
 Fiduciary Funds
 Year Ended December 31, 2009

	Private Purpose <u>Trust Fund</u>
Additions - interest earnings	\$ 1,792
Deductions - cemeteries	<u>(1,792)</u>
Change in net assets	-
Net assets at beginning of year	<u>22,206</u>
Net assets at end of year	<u><u>\$ 22,206</u></u>

See accompanying notes to financial statements.