

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements

December 31, 2009

(1) Summary of Significant Accounting Policies

The basic financial statements of the County of Saratoga, New York (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. A summary of the significant accounting policies consistently applied in the preparation of the accompanying basic financial statements follows.

In preparing the basic financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

(a) Financial Reporting Entity

The County was established in 1791 and is governed by the general laws of the State of New York (the State) and various local laws and ordinances. The County Board of Supervisors, which is the legislative body responsible for the overall operation of the County, consists of 23 supervisors representing the 19 towns and 2 cities within the County. The Town of Clifton Park and the City of Saratoga Springs each are represented by two Supervisors. The Chairman of the Board, elected by the Board each year, is the Chief Executive Officer of the County. The Board of Supervisors also appoints a County Administrator and a Clerk of the Board. The County Administrator acts as the Budget Officer. The County Treasurer, elected at large to a four-year term, is the Chief Fiscal Officer of the County. The County Clerk, Sheriff, and District Attorney are constitutional officials and are elected in accordance with constitutional provisions.

The County provides the following basic services: general government, education assistance for County residents attending community colleges, public safety, social services, health and nursing services, road maintenance, public improvements, and a part-county sewer system. The County administers the Employment and Training Program for Saratoga, Warren, and Washington Counties.

The financial reporting entity consists of (a) the primary government which is the County of Saratoga, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14.

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

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the County and/or its citizens, or whether the activity is conducted within the geographic boundaries of the County and is generally available to its citizens. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities.

Based on the application of these criteria, a brief review of each potential component unit addressed in defining the County's reporting entity follows:

Included In the Reporting Entity:

Saratoga County Industrial Development Agency - The Saratoga County Industrial Development Agency (the IDA) was created in 1971 by the New York State Legislature pursuant to Article 18-A and Section 890-h of the General Municipal Law. The members of the IDA Board are appointed by the County Board of Supervisors. The County provides office space to support its operations. The IDA is considered a component unit of the County and is discretely presented. Complete financial statements of the component unit can be obtained from its administrative office: Administrative Office, Saratoga County Industrial Development Agency, 50 West High Street, Ballston Spa, New York 12020.

Saratoga County Water Authority - The Saratoga County Water Authority (the Authority) was created by the New York State Legislature. The governing board of the Authority is appointed by the County Board of Supervisors. Currently, the County provides no subsidy to the Authority, but ultimately is responsible for debt or operating deficits of the Authority. The Authority's debt is essentially supported by its operating revenue. The County does not appoint management of the Authority nor does it approve the Authority's budget, contracts, or hiring of staff. The County has no oversight responsibility for funds of the Authority. The Authority is comprised of 7 board members, 3 of whom are on the Saratoga County Board of Supervisors.

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

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

Excluded From the Reporting Entity - Although the following organizations, functions, or activities are related to the County, they are not included in the County reporting entity because of the reasons noted:

Saratoga County Soil and Water Conservation District - The Saratoga County Soil and Water Conservation District (the District) was created by the New York State Legislature. The governing board of the District is appointed by the County Board of Supervisors. The County is not responsible for operating deficits of the District. The District cannot issue any debt. The County does not appoint management of the District nor does it approve the District's budget, contracts, or hiring of staff. The County has no oversight responsibility for the funds of the District.

Saratoga County Economic Development Corporation - The Saratoga Economic Development Corporation (the SEDC) was incorporated under the laws of New York State as a 501(c)(4) not-for-profit organization to promote economic growth within the County. Members of the governing board are not appointed by the County Board of Supervisors, and the County exercises no oversight responsibility. SEDC Board members have complete responsibility for management of the corporation and accountability for fiscal matters. The County is not liable for SEDC debt.

(b) Government-Wide and Fund Financial Statements

The basic financial statements include the following sections: management's discussion and analysis, government-wide financial statements, fund financial statements, notes to financial statements, and other required supplemental information.

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report all of the County's non-fiduciary activities and eliminate most of the interfund activity normally included in the County's separate fund financial statements. Governmental activities, which are the County's main activities financed primarily by taxes and other intergovernmental revenue, are reported separately from business-type activities, which are intended to be self-sustaining activities financed by charges to customers using the services.

The statement of net assets presents the financial condition of the County's activities at year-end. The statement of activities presents a comparison between direct expenses needed to provide specific services and the program revenue that is generated by those services. Program revenue includes charges for services, operating grants and contributions, and capital grants and contributions generated by and related to the applicable activity. General revenue includes real property taxes, sales taxes, other non-property taxes, interest earnings, and unrestricted intergovernmental revenue that generally can be used to finance most applicable activities. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenue needed to help finance the specific activities.

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

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the Proprietary Funds. All assets and liabilities are recorded in these statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. This measurement focus and basis of accounting is similar to private sector reporting.

The Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenue, expenditures, and changes in fund balances of these funds present increases (i.e. revenue and other financing sources) and decreases (i.e. expenditures and other financial uses) in net current assets.

Under the modified accrual basis of accounting, Governmental Funds revenue is recognized when susceptible to accrual (i.e., when it becomes both measurable and available). “Measurable” means the amount of the transaction can be reasonably determined and “available” means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County follows GAAP and considers property taxes available if they are collected within 60 days after year-end. Property taxes determined to be collectible after the 60-day period are recorded as deferred revenue. The County uses a similar availability period for other significant governmental revenue sources. In addition to property taxes, governmental revenue susceptible to accrual includes sales tax, State and Federal aid, and certain other significant revenues. Fines, permits, and other miscellaneous revenue are not susceptible to accrual because generally they are not measurable until received.

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

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

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Governmental Fund expenditures are recorded when the fund liability is incurred except that:

- Payment of prepaid expenses and purchase of inventory type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method used in the government-wide financial statements.
- Principal and interest on indebtedness are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Compensated absences, such as vacation leave and compensation time, which vest or accumulate with eligible employees, are recorded as expenditures in the payroll period that the leave credits are used by employees.
- Current pension costs payable to the New York State Retirement Systems are recorded as expenditures when billed by the Systems.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

(d) Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The activities of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The accounts of each fund are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. The County’s fund types are as follows:

Fund Types:

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through Governmental Funds. The County’s Governmental Fund types are as follows:

- (1) General Fund is the principal operating fund of the County and accounts for the general tax revenue, miscellaneous receipts not allocated by law or contractual agreement to another fund, and general operating expenditures. This fund operates within the financial limits of an annual budget adopted by the Board of Supervisors.
- (2) Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds of the County include the following:

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

(1) Summary of Significant Accounting Policies, Continued

(d) Fund Accounting, Continued

- County Road Fund is used to account for revenue generated to finance maintenance, repairs, and improvements to County roads and bridges, snow removal, and other transportation related purposes.
- Road Machinery Fund is used to account for revenue generated to finance purchases, repairs, and maintenance of highway machinery, tools, and equipment.
- Employment and Training Fund is used to account for federal grants and other revenue generated to finance job training and employment activities.
- Federal Forfeitures Fund is used to account for moneys received from the Federal Equitable Sharing program involving the proceeds of crime from Drug Enforcement Agency cases and certain moneys confiscated during police actions. This money is restricted to certain law enforcement activities.

(3) Capital Projects Funds are used to account for financial resources generated for the acquisition or construction of major capital assets for governmental activities. Financing is generally provided from proceeds of bonds, notes, Federal and State grants, and transfers from other Governmental Funds.

Proprietary Funds represent the County's business-type activities, and include Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report activities for which fees are charged to external customers for goods and services provided, and the County's fee pricing policies are designed to recover the costs of providing such services, including capital costs such as depreciation or debt service. Internal Service Funds may be used to report any activity that provides goods and services to other funds or departments on a cost-reimbursement basis.

The County reports the following Enterprise Funds:

- Maplewood Manor Fund is used to account for the operations of the County of Saratoga Maplewood Manor (SCMM or Maplewood Manor). SCMM is a long-term care skilled nursing facility which provides room, board, and health care to eligible individuals.
- Sewer District Fund is used to report operations of the County's wastewater treatment facilities and sanitary sewer system that is provided to residents and organizations located within the County's Sewer District.

The County reports the following Internal Service Fund:

- Self-Insurance Fund is used to account for the County's self-insured workers' compensation plan that provides workers' compensation insurance coverage for County employees and for other local governments and related organizations located within the County.

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

(1) Summary of Significant Accounting Policies, Continued

(d) Fund Accounting, Continued

Proprietary Funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenue of these funds is charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Fiduciary Funds - These funds are used to account for fiduciary activities. Fiduciary activities are those in which the County acts as trustee or agent for resources that belong to others. These activities are not included in the County-wide financial statements because their resources do not belong to the County and are not available to be used.

The County reports the following Fiduciary Funds:

- Agency Fund is used to account for monies and other resources held by the County in a trustee or agent pending payment to the applicable agencies.
- Private Purpose Trust Fund is used to account for monies donated to the County to benefit certain private cemeteries and other non-County operations.

Component Units - The component units consist of the Saratoga County Industrial Development Agency and the Saratoga County Water Authority.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(e) General Budget Process

The County adopts an annual budget for its main operating funds. Prior to November 15 of each year, the County Administrator submits to the Board of Supervisors a proposed tentative operating budget for the fiscal year commencing the following January 1. The operating budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to December 20, the budget is adopted by the Board of Supervisors. The County Administrator is authorized to approve budget transfer requests within departments within a fund; however, any revisions that alter total expenditures of any department or fund must be approved by the Board of Supervisors. These budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects that remain in effect for the life of the project. Budgets are prepared for Proprietary Funds primarily to establish the estimated contributions required from other funds.

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

(1) Summary of Significant Accounting Policies, Continued

(e) General Budget Process, Continued

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the Governmental Funds. Open encumbrances at year-end are reported as reservations of fund balances since the commitments do not constitute expenditures or liabilities.

Budgetary controls for certain special grants are established in accordance with the applicable grant agreements, which may cover a period other than the County's fiscal year. Budgetary controls for the Federal Forfeitures Fund are established on an as needed basis after revenue has been received.

A comparison of General Fund transactions with the original and revised budget estimates is shown in the fund financial statements.

(f) Cash and Equivalents

The carrying amount of cash and equivalents at December 31, 2009 totaled \$87,659,124. Checking, savings, and certificate of deposit bank balances totaled \$88,273,551. These deposits were entirely covered by Federal depository insurance or by collateral held by the County's agent in the County's name.

For purposes of the statement of cash flows, the Proprietary Funds and component units consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(g) Accounts Receivable

SCMM's accounts receivable are reported herein, net of an allowance for uncollectible accounts, of \$647,705 at December 31, 2009.

(h) Inventories

Inventories in the government-wide financial statements are comprised of general and highway supplies (governmental activities), prescription drugs, medical, and other supplies (SCMM) and are valued at the lower of cost or market. In the Governmental Funds expenditures are recognized when inventory is purchased, but for financial statement purposes, the year-end balance on hand is reported as an asset in the balance sheet with a related reservation of the fund balance for the maximum amount allowed for inventory levels.

(i) Resident Assets

SCMM requires that private pay residents provide security deposits as a condition of admission. These security deposits are classified as assets limited as to use. Patient funds, which are expended on personal items at the direction of the Maplewood Manor patients, are also in resident assets. A corresponding current liability has been recorded to reflect the security deposits, to be returned to the residents when they are discharged, and the patient funds.

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

(1) Summary of Significant Accounting Policies, Continued

(j) Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets, such as roads and bridges. Capital assets are defined by the County as assets with an initial unit cost of \$10,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the County are depreciated using the straight-line method over the following useful lives.

| <u>Asset</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 50 |
| Improvements other than buildings | 20 |
| Vehicles | 5 |
| Computer equipment | 5 |
| Other equipment | 5-10 |
| Roads | 18 |
| Bridges | 50 |
| Sewer infrastructure | 30 |

(k) Compensated Absences

As described in the union contract between the County and Local 846 of the Civil Service Employees' Association, employees are granted the following compensated absences each year:

| | |
|--------------------|------------|
| Personal leave | 1-3 days |
| Compensatory leave | as accrued |
| Vacation | 10-25 days |

Vacation days granted are increased on the basis of longevity of service to the maximum of 25 days. Vacation days do not vest. However, unused vacation days may be carried forward three months into the succeeding year upon approval by the Personnel Department. Accordingly, liabilities for leave time of \$3,185,723 are reported as accrued liabilities in the appropriate Governmental Funds.

(l) Reserves

The County records reserves to indicate the portion of the fund balance that is legally segregated for a specific future use or not available for current appropriation.

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

(1) Summary of Significant Accounting Policies, Continued

(m) Real Property Taxes

The levy and collection of real property taxes is governed by the Real Property Tax Law of the State of New York. Real property taxes are levied each year and become a property lien on January 1. County taxes are levied together with town taxes as a single tax bill. The tax levy is fully accrued at the beginning of the fiscal year and accounted for in the General Fund. Accruals for amounts due to other funds are recorded in the General Fund for the portion of the tax levy allocated to other funds or activities. The current year's property taxes are levied based on the assessed value of real property within the County. The town tax collecting officials are responsible for collection of taxes until the warrant for collection expires on March 31. At that time, settlement proceedings take place wherein the County becomes the enforcement agent for tax liens on all County real property except property within the cities of Saratoga Springs and Mechanicville. These cities assess and collect all County taxes on property within the cities and serve as enforcement agent for tax liens on such property. County taxes collected by these cities are remitted to the County periodically.

The County enforces collection of unpaid taxes levied by the villages and non-city school districts located within the County. Uncollected tax accounts are returned to the County in November of each year for collection. Any amounts remaining unpaid are relieved in the County's subsequent January 1 tax levy. On or before the next April 1, the County is required to pay the villages and school districts the amount of unpaid taxes returned for collection and enforcement. Unpaid village and school taxes are included in the financial statements as taxes receivable, and are offset by corresponding liabilities to the applicable village and school district governments.

(n) Non-Property Taxes

The primary non-property tax item is sales tax. Effective June 1, 1982, the County enacted a 3% County-wide sales tax, which it shares with other local governments within the County. Sales tax is initially recorded in an Agency Fund to facilitate distribution to local governments and allocation of the portion retained by the County.

(o) Resident Service Revenue, Net

Net resident service revenue is reported at the estimated net realizable amounts from residents, third-party payers, and others for services rendered.

Revenue under third-party payer agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payer settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

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

(1) Summary of Significant Accounting Policies, Continued

(p) Subsequent Events

The County has evaluated events occurring after December 31, 2009 and through July 15, 2010, which is the date the financial statements were available to be issued, and determined that any events or transactions occurring during this period that would require recognition or disclosure are properly addressed in these financial statements.

(2) Stewardship, Compliance and Accountability

Compliance with finance related legal and contractual provisions are discussed in a separate "Compliance Report on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards."

(3) Restricted Assets

Restricted assets are comprised of \$208,659 in security deposits and patient funds which are expended on personal items at the direction of the SCMM patients, \$5,650,665 of workers' compensation reserve funds, and \$10,500,000 of Sewer District reserve funds.

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

(4) Capital Assets

A summary of changes in capital assets follows:

| <u>Governmental Activities</u> | Balance January 1, 2009 | Additions | Retirements/ Reclassifications | Balance December 31, 2009 |
|--------------------------------|-------------------------------|-------------------|-----------------------------------|---------------------------------|
| Land | \$ 3,909,357 | 1,400 | - | 3,910,757 |
| Buildings | 44,659,713 | 3,929,498 | - | 48,589,211 |
| Autos | 16,416,828 | 1,591,755 | 576,774 | 17,431,809 |
| Machinery and equipment | 8,717,991 | 163,588 | - | 8,881,579 |
| Infrastructure | <u>82,288,549</u> | <u>5,140,255</u> | <u>3,765,897</u> | <u>83,662,907</u> |
| Total capital assets | <u>155,992,438</u> | <u>10,826,496</u> | <u>4,342,671</u> | <u>162,476,263</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 16,040,284 | 876,066 | - | 16,916,350 |
| Autos | 7,884,176 | 1,396,159 | 429,554 | 8,850,781 |
| Machinery and equipment | 2,518,401 | 405,571 | - | 2,923,972 |
| Infrastructure | <u>38,246,763</u> | <u>3,387,965</u> | <u>3,712,288</u> | <u>37,922,440</u> |
| Total accumulated depreciation | <u>64,689,624</u> | <u>6,065,761</u> | <u>4,141,842</u> | <u>66,613,543</u> |
| Net capital assets | <u>\$91,302,814</u> | | | <u>95,862,720</u> |

Depreciation expense was charged to the following governmental activities during 2009:

| | |
|--------------------------------------|--------------------|
| General government support | \$ 823,353 |
| Public safety | 600,720 |
| Health | 61,268 |
| Transportation | 4,501,996 |
| Economic opportunity and development | <u>78,424</u> |
| Total governmental activities | <u>\$6,065,761</u> |

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

(4) Capital Assets, Continued

| | Balance January 1, 2009 | Additions | Retirements/ Reclassifications | Balance December 31, 2009 |
|--------------------------------------|-------------------------------|----------------|-----------------------------------|---------------------------------|
| <u>Maplewood Manor</u> | | | | |
| Land | \$ 54,000 | - | - | 54,000 |
| Buildings | 8,749,066 | 30,793 | - | 8,779,859 |
| Improvements other than buildings | 140,773 | - | - | - |
| Machinery and equipment | 4,790,684 | 64,476 | 77,878 | 4,777,282 |
| Total capital assets | <u>13,734,523</u> | <u>95,269</u> | <u>77,878</u> | <u>13,751,914</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 4,917,124 | 351,413 | - | 5,268,537 |
| Improvements other than buildings | 123,665 | 8,028 | - | 131,693 |
| Machinery and equipment | 3,695,298 | 197,728 | 77,878 | 3,815,148 |
| Total accumulated depreciation | <u>8,736,087</u> | <u>557,169</u> | <u>77,878</u> | <u>9,215,378</u> |
| Net capital assets | <u>\$ 4,998,436</u> | | | <u>4,536,536</u> |

Depreciation expense charged to SCMM activity during 2009 was \$557,169.

| | Balance January 1, 2009 | Additions | Retirements/ Reclassifications | Balance December 31, 2009 |
|-----------------------------------|-------------------------------|-------------------|-----------------------------------|---------------------------------|
| <u>Sewer District</u> | | | | |
| Land | \$ 35,000 | - | - | 35,000 |
| Buildings | 115,598,572 | 5,419,007 | - | 121,017,579 |
| Autos | 689,230 | - | - | 689,230 |
| Machinery and equipment | 129,752 | - | - | 129,752 |
| Infrastructure | 40,614,573 | 741,712 | - | 41,356,285 |
| Work in progress | - | 26,080,717 | - | 26,080,717 |
| Total capital assets | <u>157,067,127</u> | <u>32,241,436</u> | <u>-</u> | <u>189,308,563</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 57,055,912 | 2,452,696 | - | 59,508,608 |
| Autos | 580,892 | 38,376 | - | 619,268 |
| Machinery and equipment | 55,721 | 6,665 | - | 62,386 |
| Infrastructure | 35,512,403 | 418,162 | - | 35,930,565 |
| Total accumulated depreciation | <u>93,204,928</u> | <u>2,915,899</u> | <u>-</u> | <u>96,120,827</u> |
| Net capital assets | <u>\$63,862,199</u> | | | <u>93,187,736</u> |

Depreciation expense charged to the Sewer District activity during 2009 was \$2,915,899.

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

(5) Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services. These transactions are recorded as interfund revenues, interfund transfers, and expenditures in the respective funds.

Individual interfund receivable and payable balances at December 31, 2009 arising from these transactions were as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|------------------------------|----------------------------------|-------------------------------|
| General Fund | \$ 4,939,031 | 6,483,562 |
| Special Revenue Funds: | | |
| County Road Fund | 1,396,776 | 868,403 |
| Machinery Fund | 323,304 | 92,753 |
| Employment and Training Fund | 5,561 | 30,976 |
| Capital Projects Fund | 8,383,317 | 5,963,470 |
| Proprietary Funds: | | |
| Maplewood Manor | - | 401,975 |
| Sewer District | 746,398 | 925,785 |
| Internal Service Fund | 733 | - |
| Fiduciary Funds - Agency | <u>-</u> | <u>1,028,196</u> |
| Totals | \$ <u>15,795,120</u> | <u>15,795,120</u> |

Interfund receivables and payables in the government-wide statements were as follows:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--------------------------|----------------------------------|-------------------------------|
| Governmental activities | \$ 372,086 | (1,236,739) |
| Business-type activities | 747,131 | 1,327,760 |
| Agency Funds | <u>-</u> | <u>1,028,196</u> |
| Totals | \$ <u>1,119,217</u> | <u>1,119,217</u> |

Interfund transfers during the year ended December 31, 2009 were as follows:

| | <u>Interfund Transfers In</u> | <u>Interfund Transfers Out</u> |
|-------------------------------------|-----------------------------------|------------------------------------|
| General Fund | \$ - | 17,691,278 |
| Special Revenue Funds: | | |
| County Road Fund | 12,063,139 | - |
| Machinery Fund | 1,843,931 | - |
| Proprietary Funds - Maplewood Manor | <u>3,784,208</u> | <u>-</u> |
| Totals | \$ <u>17,691,278</u> | <u>17,691,278</u> |

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

(5) Interfund Transactions, Continued

Interfund transfers in the government-wide statements for the year ended December 31, 2009 were as follows:

| | <u>Interfund Transfers In</u> | <u>Interfund Transfers Out</u> |
|--------------------------|-----------------------------------|------------------------------------|
| Governmental activities | \$ - | 3,784,208 |
| Business-type activities | <u>3,784,208</u> | <u>-</u> |
| Totals | \$ <u>3,784,208</u> | <u>3,784,208</u> |

(6) Retirement System

Retirement Plan - The County participates in the New York State and Local Retirement System, Employees Retirement System program (ERS or the System). This is a cost sharing multiple public employer retirement system. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Funding Policy - The System is noncontributory except for employees who joined the ERS after July 27, 1976, who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. The County is required to contribute at an actuarially determined rate. The required contribution for the current year and two preceding years were:

| | |
|------|--------------|
| 2009 | \$ 5,002,367 |
| 2008 | 5,221,615 |
| 2007 | 5,615,165 |

The County's contributions made to the System were equal to 100% of the contributions required for each year.

Chapter 49 of the Laws of 2003 of the State of New York was enacted which made the following changes to the System:

- Requires minimum contributions by employers of 4.5% of payroll every year, including years in which the investment performance would make a lower contribution possible.
- Changes the cycle of annual billing such that the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1st (e.g., billings due February 2009 would be based on the pension value as of March 31, 2008).

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

(7) Liabilities to Other Governments

As indicated in note 1(m), the County acts as a tax enforcement agent for its villages and non-city school districts. The County also receives other monies which are distributed to certain local governments. The following represents the liabilities “due to other governments” in the General Fund and governmental activities at December 31, 2009:

| | |
|---------------------------------------|----------------------|
| Due to villages | \$ 467,809 |
| Due to school districts | 12,295,298 |
| Due to districts for special levies | 108,838 |
| Due to NYS Mental Health | 3,920,005 |
| Due to other governments and agencies | <u>8,559,835</u> |
| | <u>\$ 25,351,785</u> |

(8) Indebtedness

The following is a summary of the County’s indebtedness:

| <u>Bond Anticipation Notes</u> | Payable at January 1, 2009 | <u>Additions</u> | Principal Payments | Payable at December 31, 2009 |
|--------------------------------|----------------------------------|-------------------|-----------------------|------------------------------------|
| Bond anticipation notes (BANs) | \$ <u>38,760,000</u> | <u>23,700,000</u> | <u>38,760,000</u> | <u>23,700,000</u> |

During July 2009, the County issued bond anticipation notes with interest rates of 2% and 1.5% for the expansion and upgrade of the County sewer system.

| <u>Governmental Funds</u> | Payable at January 1, 2009 | <u>Additions</u> | Principal Payments | Payable at December 31, 2009 | Due Within One Year | Due in More Than One Year |
|---------------------------|----------------------------------|-------------------|-----------------------|------------------------------------|---------------------------|---------------------------------|
| General obligation bonds | \$ <u>-</u> | <u>11,940,000</u> | <u>-</u> | <u>11,940,000</u> | <u>750,000</u> | <u>11,190,000</u> |

General Obligation Bonds

| | |
|--|----------------------|
| \$5,180,000 MBBA Recovery Act bonds, due in annual installments of \$175,000 to \$365,000 through 2029, with interest at 2.11% to 6.564%. | \$ 5,180,000 |
| \$6,760,000 Emergency Radio Communication Towers serial bonds, due in annual installments of \$575,000 to \$800,000 through 2019, with interest at 2.5% to 4%. | <u>6,760,000</u> |
| Total general obligation bonds | <u>\$ 11,940,000</u> |

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

(8) Indebtedness, Continued

| <u>Proprietary Funds</u> | Payable at January 1, 2009 | <u>Additions</u> | Principal Payments | Payable at December 31, 2009 | Due Within <u>One Year</u> | Due in More Than <u>One Year</u> |
|---------------------------|----------------------------------|-------------------|-----------------------|------------------------------------|----------------------------------|--|
| Capital lease obligations | \$ 1,656,851 | - | 415,009 | 1,241,842 | 434,002 | 807,840 |
| Software license | 76,653 | - | 26,281 | 50,372 | 26,281 | 24,091 |
| State loans payable | 8,580,000 | - | 865,000 | 7,715,000 | 885,000 | 6,830,000 |
| General obligation bonds | <u>4,230,000</u> | <u>23,000,000</u> | <u>215,000</u> | <u>27,015,000</u> | <u>600,000</u> | <u>26,415,000</u> |
| | <u>\$ 14,543,504</u> | <u>23,000,000</u> | <u>1,521,290</u> | <u>36,022,214</u> | <u>1,945,283</u> | <u>34,076,931</u> |

State Loans Payable

| | |
|---|---------------------|
| \$16,501,800 Revenue Bond Series 1997A by New York State Environmental Facilities Corporation for the financing of the sewer plant upgrade with a maturity date of August 15, 2017, and interest rates from 3.40% to 5.65%. | \$ 7,550,000 |
| \$350,909 Revenue Bond Series 1999A by New York State Environmental Facilities Corporation, due in annual installments through 2017, with interest at 2.77% to 4.86%. | <u>165,000</u> |
| Total state loans payable | \$ <u>7,715,000</u> |

General Obligation Bonds

| | |
|--|----------------------|
| \$5,200,000 County Sewer District serial bonds, due in annual installments of \$180,000 to \$360,000 through 2023, with interest at 3.65%. | \$ 4,015,000 |
| \$23,000,000 County Sewer District serial bonds for 2009 expansion, due in annual installments of \$375,000 to \$1,360,000 through 2039, with interest at 3% to 4.75%. | <u>23,000,000</u> |
| Total general obligation bonds | \$ <u>27,015,000</u> |

The annual requirements to amortize outstanding bonds and loans payable as of December 31, 2009 are as follows:

Governmental Funds:

| <u>(MBBA Recovery Act Bonds) 2009</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|------------------|------------------|------------------|
| 2010 | \$ 175,000 | 275,025 | 450,025 |
| 2011 | 180,000 | 283,290 | 463,290 |
| 2012 | 185,000 | 279,042 | 464,042 |
| 2013 | 190,000 | 271,438 | 461,438 |
| 2014 | 200,000 | 263,629 | 463,629 |
| 2015-2019 | 1,130,000 | 1,175,382 | 2,305,382 |
| 2020-2024 | 1,420,000 | 839,706 | 2,259,706 |
| 2025-2029 | <u>1,700,000</u> | <u>342,642</u> | <u>2,042,642</u> |
| Total | <u>5,180,000</u> | <u>3,730,154</u> | <u>8,910,154</u> |

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

(8) Indebtedness, Continued

(Emergency Radio Communications
Towers Serial Bonds) 2009

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------|----------------------|------------------|-------------------|
| 2010 | \$ 575,000 | 232,838 | 807,838 |
| 2011 | 585,000 | 218,463 | 803,463 |
| 2012 | 605,000 | 203,838 | 808,838 |
| 2013 | 630,000 | 188,713 | 818,713 |
| 2014 | 655,000 | 172,961 | 827,961 |
| 2015-2019 | <u>3,710,000</u> | <u>456,600</u> | <u>4,166,600</u> |
| Total | <u>6,760,000</u> | <u>1,473,413</u> | <u>8,233,413</u> |
| Total Governmental Funds | \$ <u>11,940,000</u> | <u>5,203,567</u> | <u>17,143,567</u> |

Proprietary Funds:

State Loans Payable

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|---------------------|------------------|------------------|
| 2010 | \$ 885,000 | 424,648 | 1,309,648 |
| 2011 | 910,000 | 377,967 | 1,287,967 |
| 2012 | 935,000 | 329,041 | 1,264,041 |
| 2013 | 965,000 | 278,288 | 1,243,288 |
| 2014 | 990,000 | 225,407 | 1,215,407 |
| 2015-2017 | <u>3,030,000</u> | <u>338,452</u> | <u>3,368,452</u> |
| Total | \$ <u>7,715,000</u> | <u>1,973,803</u> | <u>9,688,803</u> |

General Obligation Bonds - County

Sewer District Bonds

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|------------------|------------------|------------------|
| 2010 | \$ 225,000 | 146,548 | 371,548 |
| 2011 | 230,000 | 138,335 | 368,335 |
| 2012 | 240,000 | 129,940 | 369,940 |
| 2013 | 250,000 | 121,180 | 371,180 |
| 2014 | 260,000 | 112,055 | 372,055 |
| 2015-2019 | 1,450,000 | 410,625 | 1,860,625 |
| 2020-2023 | <u>1,360,000</u> | <u>126,473</u> | <u>1,486,473</u> |
| Total | <u>4,015,000</u> | <u>1,185,156</u> | <u>5,200,156</u> |

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

(8) Indebtedness, Continued

| <u>(Sewer Expansion) 2009</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|-------------------|-------------------|
| 2010 | \$ 375,000 | 1,012,203 | 1,387,203 |
| 2011 | 390,000 | 1,000,953 | 1,390,953 |
| 2012 | 410,000 | 985,353 | 1,395,353 |
| 2013 | 425,000 | 968,953 | 1,393,953 |
| 2014 | 445,000 | 951,953 | 1,396,953 |
| 2015-2019 | 2,560,000 | 4,475,363 | 7,035,363 |
| 2020-2024 | 3,195,000 | 3,914,163 | 7,109,163 |
| 2025-2029 | 3,990,000 | 3,203,763 | 7,193,763 |
| 2030-2034 | 4,980,000 | 2,209,720 | 7,189,720 |
| 2035-2039 | <u>6,230,000</u> | <u>914,371</u> | <u>7,144,371</u> |
| Total | <u>23,000,000</u> | <u>19,636,795</u> | <u>42,636,795</u> |
| Total general obligation bonds | \$ <u>27,015,000</u> | <u>20,821,951</u> | <u>47,836,951</u> |

Capital Lease Obligations

In December 2002, the County, on behalf of Maplewood Manor, completed construction of a co-generation project which is being accounted for as a capitalized lease. As of December 31, 2009, future minimum lease payments under this capital lease are as follows:

| | |
|------------------------------------|-------------------|
| 2010 | \$ 482,629 |
| 2011 | 482,629 |
| 2012 | <u>361,972</u> |
| | 1,327,230 |
| Less amounts representing interest | <u>85,388</u> |
| Present value | 1,241,842 |
| Less current portion | <u>434,002</u> |
| Long-term portion | \$ <u>807,840</u> |

Capitalized property and equipment covered by this lease consist of the following:

| | |
|-------------------------------|---------------------|
| Building improvements | \$ 3,750,403 |
| Equipment | <u>147,773</u> |
| | 3,898,176 |
| Less accumulated depreciation | <u>1,497,430</u> |
| | \$ <u>2,400,746</u> |

Amortization on the leased facility was \$85,388 for the year ended December 31, 2009, and is included within depreciation expense.

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

(8) Indebtedness, Continued

Software License

During 2006, Maplewood Manor purchased a software package which included a five-year license. Maplewood Manor will pay the license fee monthly over the five-year period. As of December 31, 2009, future minimum license payments under this software package are as follows:

| | |
|------|------------------|
| 2010 | \$ 26,281 |
| 2011 | <u>24,091</u> |
| | \$ <u>50,372</u> |

(9) Postretirement Employee Benefits

(a) Plan Description

The County provides a single-employer self-insured medical plan (the Plan) that offers two options. The Plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the County's Plan, which covers both active and retired members. Benefit provisions are established through negotiations between the County and the unions, representing employees, and are renegotiated at the end of each of the bargaining periods.

(b) Funding Policy

Contribution requirements also are negotiated between the County and union representatives. The County contributes a percentage of the cost of current year premiums for eligible retired Plan members and their spouses. For the year ended December 31, 2009, the County contributed \$6,790,700 to the Plan. Plan members receiving benefits hired on or after January 1, 2000 contribute 15% of their premium costs. Total member contributions were \$116,662 for the year ended December 31, 2009.

(c) Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year. Unfunded actuarial liabilities (or funding excess) are amortized over a period not to exceed 30 years. The County's OPEB expense for the year ended December 31, 2009 was \$29,018,090. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan:

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

(9) Postretirement Employee Benefits, Continued

(c) Annual OPEB Cost and Net OPEB Obligation, Continued

| | |
|--|----------------------|
| Annual required contribution | \$ 29,645,475 |
| Interest on net OPEB obligation | 1,608,077 |
| Adjustment to annual required contribution | <u>(2,235,462)</u> |
| Annual OPEB cost (expense) | 29,018,090 |
| Contributions made | <u>(6,790,700)</u> |
| Net OPEB obligation for 2009 | 22,227,390 |
| Net OPEB obligation at beginning of year | <u>40,201,919</u> |
| Net OPEB obligation at end of year | \$ <u>62,429,309</u> |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation at Year End</u> |
|----------------------------------|---------------------------------|---|--|
| 12/31/2009 | \$ 29,018,090 | 23.4% | 62,429,309 |
| 12/31/2008 | 26,031,975 | 24.2% | 40,201,919 |
| 12/31/2007 | 26,351,502 | 22.3% | 20,474,663 |

(d) Funded Status and Funding Progress

As of December 31, 2009, the actuarial accrued liability for benefits was \$276,834,796, all of which was unfunded.

The projection of future benefit payments for an ongoing Plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

(e) Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

(9) Postretirement Employee Benefits, Continued

(e) Methods and Assumptions, Continued

The following simplifying assumptions were made:

- Retirement Age for Active Employees - The rates of decrement due to retirement based on the experience under the New York State and Local Retirement System were prepared by the Department of Civil Service's actuarial consultant in the report titled, "Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation."
- Marital Status - It is assumed that 70% of retirees will be married at the time of their retirement, and the male spouse is assumed to be approximately three years older than the female.
- Mortality - Life expectancies were based on RP-2000 mortality tables for males and for females.
- Turnover - The rates of decrement due to turnover based on the experience under the New York State and Local Retirement System were prepared by the Department of Civil Service's actuarial consultant in the report titled, "Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation."
- Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 11% initially, reduced to an ultimate rate of 5% after six years, was used.
- Health Insurance Premiums - The 2009 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.
- Inflation Rate - The expected long-term inflation assumption of 3.3% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.
- Payroll Growth Rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount rate of 4% was used in 2009. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 28 years.

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

(10) Commitments and Contingencies

(a) Lawsuits

The County is a defendant in a number of lawsuits. In the opinion of the County Attorney, after considering all relevant facts, such litigation will not exceed the amount of coverage by insurance carriers.

(b) Grant Programs

The County participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs may be conducted, in accordance with grantor requirements, on a periodic basis. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal.

(c) Contracts

The County has entered into various contracts with outside vendors for goods and services, which were unperformed at year-end. The County has provided authority to fund these transactions in the subsequent year's budget.

(d) Environmental Risks

Certain facilities are subject to Federal, State, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the County expect such compliance to have, any material effect upon the capital expenditures or financial condition of the County. Management believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable Federal, State, and local requirements. The notice of alleged permit violation received by the County from the New York State Department of Environmental Conservation for Sewer District #1 will be defended through all available appeals.

(11) Self Insurance (Internal Service) Fund

The County established its own self-insurance plan for workers' compensation under Local Law Nos. 1 and 2, 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality or public entity for participation. There were 54 participants at December 31, 2009. The County is responsible for administration of the plan and its reserves. The plan purchases commercial insurance for employer's liability in third-party suits; the limit is \$1,000,000 with a retention of \$10,000. Settled claims have not resulted in a claim against this excess liability coverage since the inception of the plan.

All funds of the County participate in the program and make payments to the self-insurance fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. A balance in the amount of \$5,650,665 was reserved at December 31, 2009.

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

(11) Self Insurance (Internal Service) Fund, Continued

Claims and judgments are recognized in accordance with the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Losses," which requires that claims and judgments be recognized when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated. A claims liability of \$11,989,931 at December 31, 2009 has been recorded in accrued liabilities in the fund. Changes in the claims liability for 2009 were:

| <u>Balance</u> <u>January 1, 2009</u> | <u>Current Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u> | <u>Claim</u> <u>Payments</u> | <u>Balance</u> <u>December 31, 2009</u> |
|--|---|---------------------------------|--|
| \$ <u>10,992,211</u> | <u>997,720</u> | <u> -</u> | <u>11,989,931</u> |

(12) Intergovernmental Transfer

The New York State Association of Counties and the State Division of the Budget agreed upon a methodology to bring additional Federal revenues to county nursing homes. This methodology, known as the Inter-governmental Transfer program (IGT), provides for certain Medicaid rate enhancements to all nonstate operated, publicly sponsored nursing facilities. In order to receive these funds, the County was required to provide a 50% local share of the total funds to be received by SCMM.

During July 2009, SCMM received \$945,841 in IGT from the Department of Health.

(13) Detail Notes to Discretely Presented Component Units

(a) Saratoga County Industrial Development Agency

Industrial Revenue Bond and Note Transactions - Certain industrial development revenue bonds and notes issued by the IDA are secured by property that is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the IDA or the County. The IDA does not record the assets or liabilities resulting from completed bond and note issuances in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this conduit debt financing service, the IDA receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes, or the closing of straight lease transactions. At December 31, 2009, the outstanding financing balance of the bonds and notes (issued in the name of the IDA) of the borrowing companies on open projects was \$101,224,182.

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

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

(a) Saratoga County Industrial Development Agency, Continued

Investment Policy - The IDA's investment policies are governed by statutes of the State. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer of the IDA is authorized to use demand, savings, and money market accounts and certificates of deposit.

Collateral is required for demand deposits and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States of America and its agencies and obligations of the State and its municipalities and school districts.

Deposits and investments at December 31, 2009 were entirely covered by FDIC insurance or collateral investments, as required.

| <u>Capital Asset</u> - | Balance January 1, <u>2009</u> | Net <u>Additions</u> | Balance December 31, <u>2009</u> |
|------------------------|--------------------------------------|-------------------------|--|
| Land for railroad spur | \$ <u>168,138</u> | <u> -</u> | <u>168,138</u> |

(b) Saratoga County Water Authority

Organization - The Authority is a corporate governmental agency as defined by the Saratoga County Water Authority Act, Title 8-F of Articles 5 of the New York State Public Authorities Law created by an act of the New York Legislature in 1990. The Authority is governed by a governing board of 7 members, appointed by the chairperson of the Board of Supervisors of Saratoga County.

The Authority is charged with providing water services for the public benefit. The Authority is empowered to borrow money and issue notes, bonds or obligations in order to pay the costs of water projects or projects for corporate purposes.

The Authority issued revenue bonds to construct the Saratoga County Water Treatment and Transmission Facilities System (the "WT System"). The WT System will provide safe, reliable and affordable drinking water to residents of the County by drawing water from the upper Hudson River in the Town of Moreau, treating the water using a membrane filtration system and then transmitting the finished water along an approximately 28 mile line to municipal/commercial users and the Luther Forest Technology Park in the Town of Malta. The primary funding for the Authority will be from the users of the WT System.

Basis of Accounting - The financial statements of the Authority have been prepared on the accrual basis of accounting wherein revenue is recognized when earned and expenses are recognized when incurred. The Authority applies all applicable GASB pronouncements.

Income Taxes - The Authority is a municipal entity, which, under Federal and State law, is not subject to any income taxes at the Federal, State and local levels.

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

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

(b) Saratoga County Water Authority, Continued

Utility Plant in Service - Utility plant in service, acquired through either purchase or construction, is stated at cost. Depreciation is computed using the straight-line method based upon estimated depreciable lives as follows:

| <u>Classification of Assets</u> | <u>Years</u> |
|---------------------------------|--------------|
| Building and improvements | 10-30 |
| Water treatment plant | 40 |
| Water distribution systems | 40 |
| Machinery and equipment | 10-20 |
| Vehicles | 5-10 |
| Furniture and fixtures | 5-15 |

Maintenance and repairs are charged to current operations. Major replacements and improvements are capitalized as utility plant.

Contributed Land, Easements and Infrastructure - Contributed land, easements and infrastructure are recorded at the estimated fair value of the donated land, easements or infrastructure at the date donated.

Budgets - No later than September 15 of each year the Authority will provide to the County Administrator and the Board of Supervisors the proposed Authority budget for the next ensuing fiscal year and will make the proposed budget available to any resident of the County if requested. The County Administrator, or his representatives, and a duly appointed committee or representative of the Board of Supervisors and residents of the County will have the right to make reasonable requests for documentation in support of the estimates of all items of revenue and expenditures set forth therein, and the Authority will promptly and fully comply with all such requests. The Board of Supervisors, acting through such committee or representatives, will have the right, within 15 days of receipt the proposed budget, to request modifications with respect to the proposed budget, and any resident of the County, within such period, may provide comments with respect to the proposed budget, which modifications and comments will be considered by the Authority in the adoption of the budget for such fiscal year; provided, however, that the budget shall not be less than the sum of debt service and that portion of operating costs proposed to be executed for the operation and maintenance of the County water system.

No later than November 1st of each year the Authority will deliver to the County Administrator and the Board of Supervisors its budget for the next ensuing year.

If the Authority deems it necessary to make expenditures during any year in excess of that provided by the adopted budget, the Authority will amend the budget and shall immediately forward a copy of the amendment to the County Administrator and the Board of Supervisors.

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

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

(b) Saratoga County Water Authority, Continued

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported could differ from the estimates.

Credit Risk, Concentrations of Credit Risk and Interest Rate Risk - The Authority's written investment policy was adopted by the Authority's Board and is governed by State statutes. Authority monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Authorized investments include demand accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America, obligations of the State of New York, local municipalities, school districts or district corporations, public authorities and certificates of participation. Collateral is required for demand accounts and certificate of deposits at 100% of all deposits not covered by Federal deposit insurance.

The carrying amount and bank balances of checking and time deposits at December 31, 2009 totaled \$12,107,190, which were covered by Federal depository insurance or by collateral held by the Authority's agent in the Authority's name.

Cash Held by Trustee - Unused bond proceeds were invested in the Federated U.S. Treasury Fund, a money market fund investing in a portfolio of short-term U.S. Treasury securities. Although an investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation, the Federated U.S. Treasury Fund is covered under the Treasury Department's Temporary Guarantee Program for money market funds (the Program). The Program is designed to provide coverage to shareholders in participating money market mutual funds. The Program expires December 31, 2010.

Grants and Contracts Receivable - Grants receivable consist of the following at December 31, 2009:

| | <u>Total</u> | <u>Grant A</u> | <u>Grant B</u> | <u>Grant C</u> | <u>Grant D</u> | <u>Grant E</u> |
|---|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total grant/contract | \$ 37,768,215 | 10,000,000 | 11,250,000 | 10,000,000 | 1,750,000 | 4,768,215 |
| Earned prior to 2009 | 26,771,611 | 10,000,000 | 11,250,000 | 4,182,042 | 1,039,569 | 300,000 |
| Earned in 2009 | 7,241,303 | - | - | 5,188,824 | 710,431 | 1,342,048 |
| Earned to date | 34,012,914 | 10,000,000 | 11,250,000 | 9,370,866 | 1,750,000 | 1,642,048 |
| Received to date | 28,854,621 | 9,000,000 | 10,125,000 | 6,781,982 | 1,574,999 | 1,372,640 |
| Grants and contracts receivable December 31, 2009 | \$ 5,158,293 | 1,000,000 | 1,125,000 | 2,588,884 | 175,001 | 269,408 |

COUNTY OF SARATOGA, NEW YORK

Notes to Financial Statements, Continued

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

(b) Saratoga County Water Authority, Continued

Grants and Contracts Receivable, Continued

Grant A - New York State Environmental Facilities Corporation - Financial Assistance to Business Water Program

Grant B - New York State Environmental Facilities Corporation - Pipeline for Jobs Fund

Grant C - New York State Dormitory Authority - New York State Technology and Development Program

Grant D - Empire State Development Corporation

Grant E - Luther Forest Economic Development Corporation (LFEDC), includes \$268,215 pipeline extension and \$4,500,000 water tank construction. An integral part of the completed water system will be the construction of a water tank which was not included in the original total estimated costs of the project. The water tank will be constructed by the Authority but funded by the LFEDC, and will be contributed to the Authority. The contract with LFEDC requires that \$2,500,000 be advanced for the construction costs. Of that amount, \$1,126,167 is unused at December 31, 2009 and has been recorded as deposit held.

Construction in Progress - Construction in progress consisted of the following at December 31, 2009:

| Construction Contract Number | Description | Incurred to December 31, 2009 | Original Contract/ Estimate | Adjusted Contract Estimate |
|------------------------------|--------------------------------|-------------------------------|-----------------------------|----------------------------|
| 1 | Membrane -equipment | \$ 2,743,768 | 3,220,000 | 3,429,710 |
| 2G | Water plant - general | 20,660,156 | 21,241,100 | 21,327,886 |
| 2E | Water plant - electric | 3,861,877 | 3,974,000 | 4,294,722 |
| 2H | Water plant - heating | 323,562 | 346,824 | 348,562 |
| 2P | Water plant - plumbing | 183,261 | 205,700 | 208,261 |
| 3 | Transmission main | 7,485,955 | 7,337,747 | 7,485,955 |
| 4 | Transmission main | 5,697,209 | 5,276,523 | 5,697,209 |
| 5 | Transmission main | 6,538,277 | 5,635,741 | 6,538,277 |
| 6 | Transmission main | 4,753,550 | 4,079,537 | 4,753,550 |
| 7 | Transmission main | 4,470,795 | 4,724,978 | 4,470,795 |
| | Engineering | 7,060,386 | 6,896,608 | 7,244,033 |
| | Easements and land | 832,409 | 750,000 | 750,000 |
| | Legal costs | 673,101 | 357,630 | 657,083 |
| | Interest costs | 2,280,886 | - | 207,123 |
| | Contributed land and easements | 417,600 | - | - |
| | Other costs and contingencies | <u>1,804,471</u> | <u>2,953,612</u> | <u>1,972,986</u> |
| | Subtotal | <u>69,787,263</u> | <u>67,000,000</u> | <u>69,386,152</u> |

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

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

(b) Saratoga County Water Authority, Continued
Construction in Progress, Continued

| Construction Contract Number | Description | Incurred to December 31, 2009 | Original Contract/ Estimate | Adjusted Contract Estimate |
|------------------------------------|---------------------|----------------------------------|-----------------------------------|----------------------------------|
| 8 | Water tank contract | \$ 1,371,897 | 2,953,400 | 2,954,219 |
| | Water tank other | <u>-</u> | <u>1,546,600</u> | <u>1,545,781</u> |
| | Subtotal | <u>1,371,897</u> | <u>4,500,000</u> | <u>4,500,000</u> |
| | Total | <u>\$ 71,159,160</u> | <u>71,500,000</u> | <u>73,886,152</u> |

Due to Saratoga County - Due to Saratoga County consists of the following at December 31, 2009:

| | |
|--|---------------------|
| Project expense incurred by the County from 2003 to 2007, non-interest bearing | \$ 4,246,587 |
| Cash advance, June 2007, interest at 4% | 250,000 |
| Accrued interest | <u>25,288</u> |
| | <u>\$ 4,521,875</u> |

It is anticipated that this balance will be repaid upon completion of construction and upon receipt of the retainage of grants receivable.

Bond Payable - Bond payable consists of \$45,000,000 in Water System Revenue Bonds, Series 2008, maturing in 2048 and bearing interest at rates ranging from 3% to 5%.

Future maturities of bonds payable are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|----------------------|-------------------|--------------------|
| 2010 | \$ 445,000 | 2,149,312 | 2,594,312 |
| 2011 | 455,000 | 2,135,963 | 2,590,963 |
| 2012 | 470,000 | 2,122,312 | 2,592,312 |
| 2013 | 485,000 | 2,108,213 | 2,593,213 |
| 2014 | 505,000 | 2,088,813 | 2,593,813 |
| 2015-2019 | 2,895,000 | 10,067,312 | 12,962,312 |
| 2020-2024 | 3,675,000 | 9,287,913 | 12,962,913 |
| 2025-2029 | 4,545,000 | 8,418,556 | 12,963,556 |
| 2030-2034 | 5,735,000 | 7,224,563 | 12,959,563 |
| 2035-2039 | 7,320,000 | 5,640,562 | 12,960,562 |
| 2040-2044 | 9,275,000 | 3,686,663 | 12,961,663 |
| 2045-2048 | <u>9,195,000</u> | <u>1,177,250</u> | <u>10,372,250</u> |
| | <u>\$ 45,000,000</u> | <u>56,107,432</u> | <u>101,107,432</u> |

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

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

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

(a) Water Supply Contracts

The Authority has entered into contracts (Water Supply Contracts) to supply water to the Town of Ballston, the Town of Wilton Water and Sewer Authority and LFEDC. The Authority may enter into contracts for the bulk supply of water to other purchasers on terms similar to the terms of the existing Water Supply Contracts. The Water Supply Contracts provide that the Authority will provide at a minimum 3.125 million gallons per day (2,450,000 gallons LFEDC, 375,000 gallons Town of Ballston and 300,000 gallons Town of Wilton Water and Sewer Authority) of potable water for a ten-year period beginning on a date agreed to once the Authority has obtained all required governmental authorizations and possesses the operational ability to deliver water in the quality and quantity required. The maximum that may be charged by the Authority is \$2.05 per 1,000 gallons in the initial year with 1.5% increases in each subsequent year.

(b) Service Agreement with Saratoga County

The Authority has entered into a Service Agreement with the County whereby the Authority agrees to operate and maintain the water system in accordance with good engineering and business practices for an essential public utility. Under the Service Agreement, the County is obligated to pay a service fee to the Authority on a quarterly basis so long as any bonds remain outstanding and the Authority is meeting its performance obligations under the Service Agreement to build and operate the water system. The amount of the service fee will be equal to the amount budgeted by the Authority to be due for operating costs and debt service in the period commencing on the day following that service fee payment date and concluding on the next ensuing service fee payment date, less the amount of cash held by the Authority or Trustee as of the 35th day before the service fee payment date in the Revenue Fund, Operating Fund, and the Bond Redemption and Accumulated Surplus Fund that is expected to be available during the covered period for the payment of debt service and operating costs. The Authority is obligated to repay the County for any and all amounts paid by the County as a service fee, with interest at the rate of 4% per annum compounded annually, but only to the extent that the annual revenues of the Authority from the operation of the system for any fiscal year exceed the total of operating costs, debt service, required deposits and amounts the Authority reasonably considers will be needed to pay for maintenance and repairs in the next fiscal year. The County is required to pay the Authority the service fee commencing on the date of issuance of the Series 2008 Bonds and on each quarterly service fee payment date thereafter.

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

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

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

(c) Litigation

The Authority is a defendant in lawsuits arising in the normal course of business, including several condemnation suits. In the opinion of the Authority, after considering all relevant facts, the ultimate losses resulting from such litigation would be immaterial in relation to the financial statements taken as a whole.

(d) Grant Programs

The Authority participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives. The Authority believes, based upon its review of current activity and prior experiences, the amount of disallowances resulting from these audits, if any, will not be significant to the Authority's financial position or results of operations.

(e) Infrastructure and Bypass Contributions

The Round Lake Bypass Project (\$1,483,000 estimated cost of water mains) and the Town of Malta Luther Forest Technology Campus Site Roads Project (\$2,599,350 actual cost of water mains) are complete and include water mains that have been or are in the process of being dedicated to the Authority. Upon dedication and ability to calculate cost, the costs of these water mains will be recorded as infrastructure contributed.

(f) Postemployment Benefits

In addition to providing pension benefits, the Authority will also provide certain health care benefits for retired employees. Substantially all the Authority's employees may become eligible for those benefits if they reach normal retirement age while working for the Authority.

Effective for the year ended December 31, 2008, GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" became effective which requires the Authority to recognize the cost of other postemployment benefits in the financial statements in the periods in which the exchange occurs rather than in the periods when the benefits are paid. GASB Statement No. 45 requires the services of an actuary to calculate current OPEB costs and to amortize prior service costs over a period not to exceed 30 years. The expense recognized under this policy would be significantly larger than prior practice which recognized expense on a pay-as-you-go basis.

The Authority did not adopt GASB Statement No. 45 as the effect on the financial statement has been determined to be immaterial.

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

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

(b) Saratoga County Water Authority, Continued

Subsequent Events - The Authority began supplying water to Wilton Water and Sewer Authority on February 22, 2010. Additionally, the Authority approved a water supply contract with the Clifton Park Water Authority for 500,000 gallons per day.

(14) Concentration of Credit Risk

Financial instruments which potentially expose the County to concentrations of credit risk consist primarily of taxes receivable and tax sale certificates which are secured by property values throughout the County.

Maplewood Manor's patient census includes a large number of patients who are eligible for Federal and State assistance under the Medicare and Medicaid programs. Although the nursing home is directly affected by the financial well being of the State and Federal health care reimbursement programs, management does not believe significant credit risk exists at December 31, 2009.

(15) Accounting Standards Not Yet Implemented

GASB Statement No. 51 - "Accounting and Financial Reporting for Intangible Assets," establishes accounting and financial reporting requirements for intangible assets in an effort to reduce inconsistencies in accounting and financial reporting of intangible assets. This statement is effective for the County as of January 1, 2010.

GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions," establishes accounting and financial reporting requirements intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing Governmental Fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in Governmental Funds. This statement is effective for the County as of January 1, 2011.

The County has not yet determined the full impact that the adoption of these GASB statements will have on the basic financial statements.

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

(16) Subsequent Events

On July 15, 2010, the County issued \$11,819,000 Public Improvement (Serial) Bonds, Series 2010A, due in varying installments from July 15, 2011 through July 15, 2017, and \$16,990,000 Public Improvement (Serial) Bonds, Series 2010B, due in varying installments from July 15, 2011 through July 15, 2040.

On July 20, 2010, the County issued \$6,625,000 Bond Anticipation Notes, due July 19, 2011.

(17) Prior Period Adjustments

The County recorded an adjustment in the Internal Service Fund to recognize assessment receivables for the accumulated deficiency of \$4,023,583.

Additionally, the Saratoga County Water Authority was reconsidered to be a component unit in 2009, with net assets of \$27,209,211 at December 31, 2008.

COUNTY OF SARATOGA, NEW YORK
Balance Sheet - Non-Major Governmental Funds
December 31, 2009

| | County Road <u>Fund</u> | Road Machinery <u>Fund</u> | Employment and Training <u>Fund</u> | Federal Forfeitures <u>Fund</u> | <u>Total</u> |
|--|-------------------------------|----------------------------------|---|---------------------------------------|------------------|
| Assets: | | | | | |
| Cash and equivalents | \$ 69,283 | - | 36,339 | 35,507 | 141,129 |
| Receivables from other governments | - | - | 46,897 | - | 46,897 |
| Other receivables, net of allowance for uncollectibles | 514,196 | - | 63,511 | - | 577,707 |
| Due from other funds | 1,396,776 | 323,304 | 5,561 | - | 1,725,641 |
| Miscellaneous | 3,142 | - | - | - | 3,142 |
| Total assets | <u>\$ 1,983,397</u> | <u>323,304</u> | <u>152,308</u> | <u>35,507</u> | <u>2,494,516</u> |
| Liabilities and fund balances: | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | 597,193 | 116,399 | 85,230 | - | 798,822 |
| Other liabilities | 245,326 | 36,194 | 36,102 | - | 317,622 |
| Retained percentages | 1,300 | - | - | - | 1,300 |
| Due to other funds | 868,403 | 92,753 | 30,976 | - | 992,132 |
| Total liabilities | <u>1,712,222</u> | <u>245,346</u> | <u>152,308</u> | <u>-</u> | <u>2,109,876</u> |
| Fund balances - reserved for: | | | | | |
| Encumbrances | 271,175 | 77,958 | - | - | 349,133 |
| Law enforcement activities | - | - | - | 35,507 | 35,507 |
| Total fund balances | <u>271,175</u> | <u>77,958</u> | <u>-</u> | <u>35,507</u> | <u>384,640</u> |
| Total liabilities and fund balances | <u>\$ 1,983,397</u> | <u>323,304</u> | <u>152,308</u> | <u>35,507</u> | <u>2,494,516</u> |

COUNTY OF SARATOGA, NEW YORK
Schedule of Revenue, Expenditures, and Changes in Fund Balances -
Non-Major Governmental Funds
Year Ended December 31, 2009

| | County Road <u>Fund</u> | Road Machinery <u>Fund</u> | Employment and Training <u>Fund</u> | Federal Forfeitures <u>Fund</u> | <u>Total</u> |
|--|-------------------------------|----------------------------------|---|---------------------------------------|-------------------|
| Revenue: | | | | | |
| Departmental income | \$ 87,223 | - | 2,833 | - | 90,056 |
| Intergovernmental charges | 203,444 | - | - | - | 203,444 |
| Use of money and property | 13 | 1,176,000 | - | 26 | 1,176,039 |
| Fines and forfeitures | - | - | - | 26,166 | 26,166 |
| Sale of property and compensation for loss | 403,465 | 37,236 | - | - | 440,701 |
| Miscellaneous | 654,675 | 309,720 | 383 | - | 964,778 |
| State aid | 2,282,552 | - | - | - | 2,282,552 |
| Federal aid | 583,189 | - | 1,136,800 | - | 1,719,989 |
| | <u>4,214,561</u> | <u>1,522,956</u> | <u>1,140,016</u> | <u>26,192</u> | <u>6,903,725</u> |
| Total revenue | | | | | |
| Expenditures: | | | | | |
| Current: | | | | | |
| Public safety | 595,468 | - | - | 2,557 | 598,025 |
| Transportation | 15,603,248 | 2,659,129 | - | - | 18,262,377 |
| Economic opportunity and development | - | - | 1,140,724 | - | 1,140,724 |
| Capital outlay - transportation | 128,223 | 759,032 | - | - | 887,255 |
| | <u>16,326,939</u> | <u>3,418,161</u> | <u>1,140,724</u> | <u>2,557</u> | <u>20,888,381</u> |
| Total expenditures | | | | | |
| Other financing sources: | | | | | |
| Interfund transfers in | 12,063,139 | 1,843,931 | - | - | 13,907,070 |
| | <u>(49,239)</u> | <u>(51,274)</u> | <u>(708)</u> | <u>23,635</u> | <u>(77,586)</u> |
| Net change in fund balances | | | | | |
| Fund balance at beginning of year | 320,414 | 129,232 | 708 | 11,872 | 462,226 |
| Fund balance at end of year | <u>\$ 271,175</u> | <u>77,958</u> | <u>-</u> | <u>35,507</u> | <u>384,640</u> |