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July 15, 2010

CONFIDENTIAL

Chairman and Board of Supervisors
County of Saratoga, New York

Dear Chairman and Board Members:

We have completed our audit of the financial statements of the County of Saratoga, New York (the County) as of and for the year ended December 31, 2009. In planning and performing our audit the financial statements, we considered the County's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide assurance on the internal control. We have developed the following comments and recommendations concerning certain matters related to the County's internal control and accounting, administrative and operating matters.

This report is intended solely for the information and use of the Chairman, Board of Supervisors, management and others within the County.

New GASB Accounting Standards

Governmental Accounting Standards Board (GASB) Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions," enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. The requirements of this statement are effective for periods beginning after June 15, 2010, which is the fiscal year beginning January 1, 2011 for the County. Also, fund balance reclassifications made to conform to the provisions of this statement should be applied retroactively by restating fund balances for all prior periods presented, which will require reclassification of 2010 balances. We recommend that the County review this statement to determine the impact that this new standard will have on the future financial statements of the County.

Automated Financial Statement Preparation

The County's current accounting software package does not allow the County to convert its fund accounting statements to entity-wide financial statements as required by GASB Statement No. 34 - "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." Considering these reporting requirements, we recommend that the County assess the adequacy of its current financial software system to meet these reporting requirements.

Capital Asset Ledger

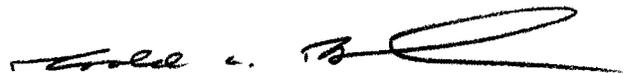
The capital asset ledger, which is currently maintained as a Microsoft Excel spreadsheet, and is thereby not a part of the County's financial reporting system, is updated and reconciled to the financial reporting system only at year-end. In order to improve internal control over capital assets, we recommend that the capital asset ledger be reconciled to the financial reporting system on a more timely basis, such as quarterly. Additionally, in order to enhance controls over the safeguarding of the County's capital assets, we also recommend that the County consider converting its present spreadsheet-based capital asset ledger to a more advanced proprietary software package specifically designed for this purpose, tagging all County property with a unique inventory control number, and maintaining detail sub-ledgers by specific location.

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We wish to take this opportunity to express our appreciation for the courtesy and cooperation extended to us by the County's personnel during our audit. If you have any questions regarding the foregoing comment or wish any assistance in its implementation, please contact us at your convenience.

Very truly yours,

TOSKI, SCHAEFER & CO., P.C.



Ronald C. Toski, CPA
Managing Director