

COUNTY OF SARATOGA, NEW YORK
Financial Statements and
Supplemental Information
December 31, 2010
(With Independent Auditors' Report Thereon)

COUNTY OF SARATOGA, NEW YORK

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TOSKI, SCHAEFER & CO.,P.C.
CERTIFIED PUBLIC ACCOUNTANTS

300 ESSJAY ROAD
WILLIAMSVILLE, NY 14221
(716) 634-0700

14 CORPORATE WOODS BLVD.
ALBANY, NY 12211
(518) 935-1069

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, 2010, 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 and the reports of other auditors provide 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, 2010, 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 August 16, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Saratoga, New York's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Toski, Schaefer & Co., P.C.

Williamsville, New York
August 16, 2011

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 level off for the near future. Real property taxable full valuation of the County has increased in the past year by 3.7%, and since 2005 it has increased by 47.76% to \$22,706,660,793. The level of taxation is \$2.16 per thousand, or 14.19% of the County's constitutional tax limit. Tax revenues for 2010 decreased from 2009 by 2.4% to \$46,220,413. The 2010 sales tax revenue increased from the previous year by 6.1%. The County's government-wide net assets decreased by \$16,739,051. This was caused primarily by the recognition of additional other postemployment benefit (OPEB) expenses of \$30,252,898 in 2010.

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 2010, \$20,230,377 was expended of which \$14,476,272 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 2010, \$1,091,490 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 2010 cost of the Sewer Fund was \$12,795,825.

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, 2010, resident service revenue decreased to approximately \$17.0 million from \$19.1 million during 2009. Other revenue dropped from \$468,629 for the year ended December 31, 2009 to \$64,746 for the year ended December 31, 2010 due to the loss of grant funding. Operating expenses for the year ended December 31, 2010 were \$31.6 million, compared to \$29.2 million for the year ended December 31, 2009. Due to the insufficiency of Medicaid fees, the County transferred \$6,547,653 in 2010 and \$3,784,208 in 2009. IGT funding provided some relief in 2009 with \$945,841. The County did not record IGT revenue in 2010 as the final determination of the amount is not available.

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, 2010, the General Fund expended \$197,946,173 and the general tax revenue amounted to \$46,220,413.

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 2010

The 2010 General Fund budget included \$21,594,534 in transfers to other funds. Of the County's two Enterprise Funds, the Sewer District had an operating profit of \$34,757, while Maplewood Manor had an operating loss of \$14,457,065. This loss is primarily from the recognition of \$4,955,178 for additional OPEB expense in 2010 and Medicaid reimbursement does not reimburse more than 55% of the daily bed cost. The other budgeted funds were balanced without involving fund balance.

The County's actual expenditures in the General Fund during 2010 were \$8,030,039 under the revised budget amount. Revenue was also under the revised budget by \$6,795,071. The decrease in revenue was due in large part to a 5% decrease in property tax revenue and a 31% decrease in State and Federal 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 2010 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Debt</u>	<u>Net</u>
Land	\$ 3,999,757	-	-	3,999,757
Buildings	210,787,032	86,725,605	-	124,061,427
Machinery and equipment	32,296,786	17,715,589	7,812,724	6,768,473
Roads and bridges	86,238,494	39,136,664	-	47,101,830
Sewer infrastructure	49,614,958	36,591,221	50,235,000	(37,211,263)
Work-in-progress	<u>10,999,117</u>	<u>-</u>	<u>10,999,117</u>	<u>-</u>
Totals	<u>\$ 393,936,144</u>	<u>180,169,079</u>	<u>69,046,841</u>	<u>144,720,224</u>

ANALYSIS OF COUNTY'S GOVERNMENT-WIDE FINANCIAL POSITION DURING 2010

Growth is, of course, a challenge. People continue to move into Saratoga County from neighboring counties. We can expect near economic stability that others will not.

During 2010, the County's government-wide net assets decreased by \$16,739,051. Governmental activities net assets decreased by \$15,623,465 which was due in large part by the recognition of additional OPEB expense. The Sewer District's \$6,791,163 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, 2010

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Saratoga County IDA	Saratoga County Water Authority	Total
Assets:						
Cash and equivalents	\$ 46,223,972	20,901,938	67,125,910	2,147,666	2,373,626	4,521,292
Receivables, net of allowance for uncollectibles	23,508,843	2,946,643	26,455,486	952,719	745,519	1,698,238
Due from other governments	42,706,592	596,894	43,303,486	-	-	-
Due from other activities and funds	1,641,803	3,674,676	5,316,479	-	-	-
Inventories	1,269,669	76,523	1,346,192	-	-	-
Prepaid expenses	1,533,304	126,727	1,660,031	-	-	-
Bond issuance discount, net of amortization	-	-	-	-	270,233	270,233
Long-term due from other governments	3,142	-	3,142	-	-	-
Restricted assets:						
Cash and equivalents	5,882,168	-	5,882,168	-	4,735,220	4,735,220
Resident assets	-	216,016	216,016	-	-	-
Capital assets, net of accumulated depreciation	<u>105,603,683</u>	<u>108,163,382</u>	<u>213,767,065</u>	<u>168,138</u>	<u>79,967,161</u>	<u>80,135,299</u>
Total assets	<u>228,373,176</u>	<u>136,702,799</u>	<u>365,075,975</u>	<u>3,268,523</u>	<u>88,091,759</u>	<u>91,360,282</u>
Liabilities:						
Accounts payable and other current liabilities	25,315,015	5,158,202	30,473,217	54,484	1,546,056	1,600,540
Due to other governments	28,707,808	-	28,707,808	-	3,531,875	3,531,875
Due to other activities and funds	12,449,226	1,688,439	14,137,665	-	-	-
Bond anticipation notes	-	6,625,000	6,625,000	-	-	-
Accrued compensated absences	2,097,768	158,325	2,256,093	-	-	-
Deferred revenue	38,205	15,334	53,539	-	-	-
Resident funds and security deposits	-	216,016	216,016	-	-	-
Retainage payable	163,428	2,184,430	2,347,858	-	-	-
Long-term liabilities:						
Due within one year	2,294,000	2,302,955	4,596,955	-	463,100	463,100
Due in more than one year	20,715,000	48,763,977	69,478,977	-	44,286,935	44,286,935
Other postemployment benefits liability	<u>63,509,995</u>	<u>21,758,131</u>	<u>85,268,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>155,290,445</u>	<u>88,870,809</u>	<u>244,161,254</u>	<u>54,484</u>	<u>49,827,966</u>	<u>49,882,450</u>
Net assets:						
Invested in capital assets, net of related debt	87,599,683	57,120,541	144,720,224	-	31,880,286	31,880,286
Restricted for self-insurance contributed reserve	5,882,168	-	5,882,168	-	-	-
Restricted for inventory	31,328	-	31,328	-	-	-
Restricted for other purposes	1,422,250	-	1,422,250	-	4,735,220	4,735,220
Restricted for capital improvements	11,855,146	-	11,855,146	-	-	-
Unrestricted (deficit)	<u>(33,707,844)</u>	<u>(9,288,551)</u>	<u>(42,996,395)</u>	<u>3,214,039</u>	<u>1,648,287</u>	<u>4,862,326</u>
Total net assets	<u>\$ 73,082,731</u>	<u>47,831,990</u>	<u>120,914,721</u>	<u>3,214,039</u>	<u>38,263,793</u>	<u>41,477,832</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Government-Wide Financial Statements
Statement of Activities
Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenue			Net (Expenses) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government support	\$ 80,393,484	10,954,687	5,946,247	-	(63,492,550)	-	(63,492,550)	-
Education	17,730,776	-	6,540,276	-	(11,190,500)	-	(11,190,500)	-
Public safety	34,438,329	2,356,459	661,186	-	(31,420,684)	-	(31,420,684)	-
Health	21,241,523	6,464,445	7,923,400	-	(6,853,678)	-	(6,853,678)	-
Transportation	22,662,379	1,526,569	4,275,601	602,760	(16,257,449)	-	(16,257,449)	-
Economic opportunity and development	60,460,091	2,906,865	25,790,128	-	(31,763,098)	-	(31,763,098)	-
Culture and recreation	1,142,969	376,143	62,263	-	(704,563)	-	(704,563)	-
Home and community services	4,665,796	22,503	621,035	-	(4,022,258)	-	(4,022,258)	-
Interest on long-term debt	445,591	-	-	-	(445,591)	-	(445,591)	-
Total governmental activities	243,180,938	24,607,671	51,820,136	602,760	(166,150,371)	-	(166,150,371)	-
Business-type activities:								
Maplewood Manor	31,567,698	17,110,633	-	-	-	(14,457,065)	(14,457,065)	-
Sewer District	12,795,825	12,830,582	-	6,627,200	-	6,661,957	6,661,957	-
Total business-type activities	44,363,523	29,941,215	-	6,627,200	-	(7,795,108)	(7,795,108)	-
	\$ 287,544,461	54,548,886	51,820,136	7,229,960	(166,150,371)	(7,795,108)	(173,945,479)	-
Component unit:								
Saratoga County Water Authority	5,463,719	2,079,927	-	7,124,677	-	-	-	3,740,885
Saratoga County Industrial Development Agency	\$ 408,905	27,020	-	-	-	-	-	(381,885)
General revenue:								
Real property tax and related tax items					51,094,502	-	51,094,502	-
Non-property tax items					99,184,375	-	99,184,375	-
Tobacco settlement proceeds					3,005,228	-	3,005,228	-
Interest earnings					-	131,869	131,869	49,078
Other general revenue					3,790,454	-	3,790,454	-
					157,074,559	131,869	157,206,428	49,078
Transfers from governmental to business-type activities					(6,547,653)	6,547,653	-	-
Total general revenue and transfers					150,526,906	6,679,522	157,206,428	-
Change in net assets					(15,623,465)	(1,115,586)	(16,739,051)	3,408,078
Net assets at beginning of year, as originally stated					88,706,196	48,805,823	137,512,019	38,013,787
Prior period adjustment					-	141,753	141,753	55,967
Net assets at beginning of year, restated					88,706,196	48,947,576	137,653,772	38,069,754
Net assets at end of year					\$ 73,082,731	47,831,990	120,914,721	41,477,832

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Fund Financial Statements
Balance Sheet - Governmental Funds
December 31, 2010

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Assets:				
Cash and equivalents	\$ 27,169,375	18,054,347	101,778	45,325,500
Taxes receivables, net of allowance for uncollectibles	21,215,335	-	-	21,215,335
Receivables from other governments	35,263,089	-	1,594,379	36,857,468
Other receivables, net of allowance for uncollectibles	1,997,876	-	295,632	2,293,508
Inventories	27,704	-	-	27,704
Due from other funds	-	-	395,419	395,419
Miscellaneous	-	-	3,142	3,142
Total assets	<u>\$ 85,673,379</u>	<u>18,054,347</u>	<u>2,390,350</u>	<u>106,118,076</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	9,959,690	263,723	1,175,358	11,398,771
Other liabilities	1,837,564	-	253,496	2,091,060
Retained percentages	149,730	12,190	1,508	163,428
Due to other governments	21,829,927	-	-	21,829,927
Deferred revenue	26,321,153	-	-	26,321,153
Due to other funds	<u>8,181,002</u>	<u>4,094,781</u>	<u>173,443</u>	<u>12,449,226</u>
Total liabilities	<u>68,279,066</u>	<u>4,370,694</u>	<u>1,603,805</u>	<u>74,253,565</u>
Fund balances:				
Reserved for:				
Encumbrances	337,645	1,082,226	-	1,419,871
Inventory	31,328	-	-	31,328
Capital improvements	-	11,855,146	-	11,855,146
Other purposes	2,379	-	-	2,379
Unreserved:				
Appropriated for 2011 budget	3,400,966	-	-	3,400,966
Unappropriated	<u>13,621,995</u>	<u>746,281</u>	<u>786,545</u>	<u>15,154,821</u>
Total fund balances	<u>17,394,313</u>	<u>13,683,653</u>	<u>786,545</u>	<u>31,864,511</u>
Total liabilities and fund balances	<u>\$ 85,673,379</u>	<u>18,054,347</u>	<u>2,390,350</u>	<u>106,118,076</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, 2010

Total fund balances in the fund financial statements for the Governmental Funds	\$ 31,864,511
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.	105,603,683
Payments for retirement system contributions covering the period January 1, 2011 to March 31, 2011 are recognized as prepaid expenses, a current asset in the government-wide statements.	1,527,281
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.	6,987,156
Revenue that was earned, measurable but not available is recorded as revenue in the government-wide financial statements.	14,498,058
Significant inventories of materials and supplies are included in the government-wide statements as current assets.	1,241,964
Long-term debt accrued interest	(81,184)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(23,009,000)
Assessment from a local government district is recognized as a long-term liability in the government-wide statements which will be recorded in the Governmental Fund financial statements in the year of settlement.	(2,041,942)
Internal service fund is reported in the governmental funds.	(196,980)
Other postemployment benefits liability	<u>(63,310,816)</u>
Total net assets of the governmental activities	<u>\$ 73,082,731</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, 2010

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Revenue:				
Real property taxes	\$ 46,220,413	-	-	46,220,413
Other real property tax items	3,371,156	-	-	3,371,156
Non-property taxes	99,184,375	-	-	99,184,375
Departmental income	16,573,004	-	1,381,523	17,954,527
Intergovernmental charges	2,291,088	-	-	2,291,088
Use of money and property	706,432	-	52	706,484
Licenses and permits	20,162	-	-	20,162
Fines and forfeitures	403,842	-	31,548	435,390
Sale of property and compensation for loss	2,306,762	-	575,592	2,882,354
Miscellaneous	1,957,159	-	243,265	2,200,424
State aid	20,022,893	-	2,262,384	22,285,277
Federal aid	18,573,865	205,053	2,755,715	21,534,633
Total revenue	<u>211,631,151</u>	<u>205,053</u>	<u>7,250,079</u>	<u>219,086,283</u>
Expenditures:				
Current:				
General government support	70,905,996	-	-	70,905,996
Education	17,730,776	-	-	17,730,776
Public safety	28,650,585	-	591,347	29,241,932
Health	19,065,313	-	-	19,065,313
Transportation	1,020,825	-	19,641,609	20,662,434
Economic opportunity and development	55,864,150	-	1,091,490	56,955,640
Culture and recreation	1,036,318	920,734	-	1,957,052
Home and community service	2,493,950	-	-	2,493,950
Capital outlay:				
General government support	-	10,078,383	-	10,078,383
Debt interest	1,178,260	-	-	1,178,260
Total expenditures	<u>197,946,173</u>	<u>10,999,117</u>	<u>21,324,446</u>	<u>230,269,736</u>
Other financing sources (uses):				
Proceeds from issuance of long-term debt	-	11,819,000	-	11,819,000
Interfund transfers in	-	-	14,476,272	14,476,272
Interfund transfers out	(21,023,925)	-	-	(21,023,925)
Total other financing sources (uses)	<u>(21,023,925)</u>	<u>11,819,000</u>	<u>14,476,272</u>	<u>5,271,347</u>
Net change in fund balances	(7,338,947)	1,024,936	401,905	(5,912,106)
Fund balances at beginning of year	<u>24,733,260</u>	<u>12,658,717</u>	<u>384,640</u>	<u>37,776,617</u>
Fund balances at end of year	<u>\$ 17,394,313</u>	<u>13,683,653</u>	<u>786,545</u>	<u>31,864,511</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, 2010

Net change in fund balances shown for total Governmental Funds \$ (5,912,106)

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

Expenditures for acquisition of capital assets	\$16,503,321	
Depreciation expense	<u>(6,665,884)</u>	9,837,437

Revenue that was earned and measurable, but not available, is recorded as revenue in the government-wide financial statements.	8,808,039
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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 2010 that are deducted from revenue in the government-wide financial statements.	1,502,933
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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.	(119,844)
--	-----------

Property, plant and equipment sold at a loss	(96,474)
--	----------

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.	565,835
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Increase in other postemployment benefits liability is recorded in the statement of net asset but not in the government funds.	(16,884,032)
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Assessment from a local government district is recognized as a long-term liability in the government-wide statements which will be recorded in the Governmental Fund financial statements in the year of settlement.	(2,041,942)
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Issuance of long-term debt is recognized as other financing sources on the governmental funds and as a liability on the government-wide statements.	(11,819,000)
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Principal payments on long-term debt	750,000
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Accrued interest on long-term debt	(17,331)
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Internal service funds are proprietary funds that are combined with governmental activities on the government-wide statements.	(141,753)
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Change in net assets in the fund level statements.	<u>(55,227)</u>
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Change in net assets of governmental activities shown in the statement of activities	<u><u>\$(15,623,465)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	<u>Variance</u> Revised
	<u>Adopted</u>	<u>Revised</u>		
Revenue:				
Real property taxes	\$48,767,934	48,767,934	46,220,413	(2,547,521)
Other real property tax items	2,737,050	2,737,050	3,371,156	634,106
Non-property taxes	98,365,000	98,365,000	99,184,375	819,375
Departmental income	15,454,781	15,591,681	16,573,004	981,323
Intergovernmental charges	2,401,293	2,401,293	2,291,088	(110,205)
Use of money and property	878,473	878,473	706,432	(172,041)
Licenses and permits	22,000	22,000	20,162	(1,838)
Fines and forfeitures	411,673	411,673	403,842	(7,831)
Sale of property and compensation for loss	2,502,000	2,502,000	2,306,762	(195,238)
Miscellaneous	370,000	370,000	1,957,159	1,587,159
State aid	26,938,473	29,068,416	20,022,893	(9,045,523)
Federal aid	<u>16,120,046</u>	<u>17,310,702</u>	<u>18,573,865</u>	<u>1,263,163</u>
Total revenue	<u>214,968,723</u>	<u>218,426,222</u>	<u>211,631,151</u>	<u>(6,795,071)</u>
Expenditures:				
General government support	22,785,040	71,438,433	70,905,996	532,437
Education	18,610,000	18,470,000	17,730,776	739,224
Public safety	29,551,029	30,093,591	28,650,585	1,443,006
Health	20,082,114	20,314,817	19,065,313	1,249,504
Transportation	2,108,817	3,528,864	1,020,825	2,508,039
Economic opportunity and development	57,402,030	56,632,377	55,864,150	768,227
Culture and recreation	946,246	1,001,637	1,036,318	(34,681)
Home and community service	49,893,225	3,276,700	2,493,950	782,750
Debt service	<u>1,070,400</u>	<u>1,219,793</u>	<u>1,178,260</u>	<u>41,533</u>
Total expenditures	<u>202,448,901</u>	<u>205,976,212</u>	<u>197,946,173</u>	<u>8,030,039</u>
Other financing uses - interfund transfers out	<u>(15,700,144)</u>	<u>(21,594,534)</u>	<u>(21,023,925)</u>	<u>570,609</u>
Net change in appropriated fund balance (budget) and fund balance (actual)	<u>\$ (3,180,322)</u>	<u>(9,144,524)</u>	<u>(7,338,947)</u>	<u>1,805,577</u>
Fund balance at beginning of year			<u>24,733,260</u>	
Fund balance at end of year			<u>\$17,394,313</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, 2010

	Business-type Activities Enterprise Funds			Internal Service Fund Self Insurance
	Maplewood	Sewer District	Total	
	Manor			
Assets:				
Cash and equivalents	\$ 784,764	20,117,174	20,901,938	898,473
Receivables, net of allowance for uncollectibles	2,213,223	733,420	2,946,643	-
Due from other governments	596,894	-	596,894	5,849,124
Due from other funds	-	3,674,676	3,674,676	1,246,384
Inventories	76,523	-	76,523	-
Prepaid expenses	43,043	83,684	126,727	6,023
Restricted assets:				
Cash and equivalents	-	-	-	5,882,168
Resident assets	216,016	-	216,016	-
Capital assets, net of accumulated depreciation	4,019,959	104,143,423	108,163,382	-
Total assets	<u>7,950,422</u>	<u>128,752,377</u>	<u>136,702,799</u>	<u>13,882,172</u>
Liabilities:				
Accounts payable and other current liabilities	1,121,754	4,036,448	5,158,202	13,835,060
Due to other funds	1,492,994	195,445	1,688,439	-
Bond anticipation notes	-	6,625,000	6,625,000	-
Accrued compensated absences	-	158,325	158,325	6,708
Deferred revenue	15,334	-	15,334	38,205
Resident funds and security deposits	216,016	-	216,016	-
Retainage payable	-	2,184,430	2,184,430	-
Noncurrent liabilities:				
Due within one year	477,955	1,825,000	2,302,955	-
Due in more than one year	353,977	48,410,000	48,763,977	-
Other postemployment benefits liability	18,239,548	3,518,583	21,758,131	199,179
Total liabilities	<u>21,917,578</u>	<u>66,953,231</u>	<u>88,870,809</u>	<u>14,079,152</u>
Net assets:				
Invested in capital assets, net of related debt	3,212,118	53,908,423	57,120,541	-
Restricted for self insurance contributed reserve	-	-	-	5,882,168
Unrestricted	(17,179,274)	7,890,723	(9,288,551)	(6,079,148)
Total net assets	<u>\$ (13,967,156)</u>	<u>61,799,146</u>	<u>47,831,990</u>	<u>(196,980)</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, 2010

	Business-type Activities			Internal Service Fund Self Insurance
	Enterprise Funds			
	Maplewood Manor	Sewer District	Total	
Operating revenue:				
Rents and charges for sales and services	\$ -	12,738,730	12,738,730	-
Resident service revenue, net of allowances	17,045,887	-	17,045,887	-
Participant assessments	-	-	-	4,407,313
Sale of property and compensation for losses	-	68,860	68,860	-
Miscellaneous local sources	-	22,992	22,992	-
Other grants and revenue	64,746	-	64,746	284,687
Total operating revenue	<u>17,110,633</u>	<u>12,830,582</u>	<u>29,941,215</u>	<u>4,692,000</u>
Operating expenses:				
Costs of sales and services	25,995,783	6,714,041	32,709,824	4,781,977
Other postemployment benefits expense	4,955,178	-	4,955,178	-
Interest	48,627	1,974,636	2,023,263	-
Depreciation	568,110	4,107,148	4,675,258	-
Total operating expenses	<u>31,567,698</u>	<u>12,795,825</u>	<u>44,363,523</u>	<u>4,781,977</u>
Operating income (loss)	<u>(14,457,065)</u>	<u>34,757</u>	<u>(14,422,308)</u>	<u>(89,977)</u>
Nonoperating revenue:				
Interest earnings	2,663	129,206	131,869	34,750
Capital grant	-	6,627,200	6,627,200	-
Total nonoperating revenue	<u>2,663</u>	<u>6,756,406</u>	<u>6,759,069</u>	<u>34,750</u>
Income (loss) before transfers	(14,454,402)	6,791,163	(7,663,239)	(55,227)
Transfers from governmental activities to business-type activities	<u>6,547,653</u>	-	<u>6,547,653</u>	-
Change in net assets	(7,906,749)	6,791,163	(1,115,586)	(55,227)
Net assets at beginning of year	<u>(6,060,407)</u>	<u>55,007,983</u>	<u>48,947,576</u>	<u>(141,753)</u>
Net assets at end of year	<u>\$ (13,967,156)</u>	<u>61,799,146</u>	<u>47,831,990</u>	<u>(196,980)</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, 2010

	Business-type Activities			Internal Service Fund Self Insurance	Total
	Enterprise Funds				
	Maplewood Manor	Sewer District	Subtotal		
Cash flows from operating activities:					
Cash received from charges to customers	\$ -	12,814,438	12,814,438	3,133,249	15,947,687
Cash received from residents and third-party payers	16,340,321	-	16,340,321	-	16,340,321
Payment to employees, payroll taxes, and benefits	(22,355,534)	-	(22,355,534)	-	(22,355,534)
Payment for interest	(48,627)	(1,030,628)	(1,079,255)	-	(1,079,255)
Payment to suppliers, vendors	(2,471,305)	(9,567,212)	(12,038,517)	(3,942,976)	(15,981,493)
Net cash provided by (used in) operating activities	<u>(8,535,145)</u>	<u>2,216,598</u>	<u>(6,318,547)</u>	<u>(809,727)</u>	<u>(7,128,274)</u>
Cash flows from non-capital financing activities:					
Contribution from General Fund	6,547,653	-	6,547,653	-	6,547,653
Capital grant	-	6,627,200	6,627,200	-	6,627,200
Decrease (increase) in restricted cash and equivalents	-	10,500,000	10,500,000	(231,503)	10,268,497
Net cash provided by (used in) non-capital financing activities	<u>6,547,653</u>	<u>17,127,200</u>	<u>23,674,853</u>	<u>(231,503)</u>	<u>23,443,350</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(51,534)	(15,062,835)	(15,114,369)	-	(15,114,369)
Net repayments of bond short-term financing	-	(17,075,000)	(17,075,000)	-	(17,075,000)
Proceeds from long-term debt	-	16,990,000	16,990,000	-	16,990,000
Repayments of long-term debt	(460,282)	(1,485,000)	(1,945,282)	-	(1,945,282)
Net cash used in capital and related financing activities	<u>(511,816)</u>	<u>(16,632,835)</u>	<u>(17,144,651)</u>	<u>-</u>	<u>(17,144,651)</u>
Cash flows from investing activities - interest earned on cash in time deposits	<u>2,663</u>	<u>129,206</u>	<u>131,869</u>	<u>34,750</u>	<u>166,619</u>
Net increase (decrease) in cash and equivalents	(2,496,645)	2,840,169	343,524	(1,006,480)	(662,956)
Cash and equivalents at beginning 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>
Cash and equivalents at end of year	<u>\$ 784,764</u>	<u>20,117,174</u>	<u>20,901,938</u>	<u>898,473</u>	<u>21,800,411</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	(14,457,065)	34,757	(14,422,308)	(89,977)	(14,512,285)
Depreciation expense	568,110	4,107,148	4,675,258	-	4,675,258
Provision for doubtful accounts	150,000	-	150,000	-	150,000
Other postemployment benefits expense	4,955,178	942,035	5,897,213	57,572	5,954,785
Changes in:					
Receivables, net of allowances	216,606	6,848	223,454	(1,244,489)	(1,021,035)
Inventories	(13,007)	-	(13,007)	-	(13,007)
Prepaid expenses	1,282	(30,566)	(29,284)	(2,344)	(31,628)
Due from other funds	-	(2,928,278)	(2,928,278)	(1,245,651)	(4,173,929)
Due to Saratoga County	1,091,019	-	1,091,019	-	1,091,019
Due to other funds	-	(730,340)	(730,340)	-	(730,340)
Estimated third-party payers settlements	(647,692)	-	(647,692)	-	(647,692)
Accounts payable and accrued liabilities	-	(1,346,972)	(1,346,972)	-	(1,346,972)
Retainage payable	(202,440)	2,184,430	1,981,990	1,703,279	3,685,269
Accrued compensated absences	(25,508)	(22,464)	(47,972)	6,708	(41,264)
Deferred revenue	(171,628)	-	(171,628)	5,175	(166,453)
Net cash provided by (used in) operating activities	<u>\$ (8,535,145)</u>	<u>2,216,598</u>	<u>(6,318,547)</u>	<u>(809,727)</u>	<u>(7,128,274)</u>

See accompanying notes to financial statements.

COUNTY OF SARATOGA, NEW YORK
Statement of Fiduciary Net Assets - Fiduciary Funds
December 31, 2010

	<u>Agency Funds</u>	<u>Permanent Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Total Fiduciary Funds</u>
Assets				
Cash and equivalents	\$ 14,761,704	118,414	-	14,880,118
Restricted cash	-	-	22,593	22,593
Due from other funds	<u>8,821,186</u>	<u>-</u>	<u>-</u>	<u>8,821,186</u>
Total assets	<u>23,582,890</u>	<u>118,414</u>	<u>22,593</u>	<u>23,723,897</u>
Liabilities				
Agency liabilities	16,928,724	118,414	22,593	17,069,731
Due to other funds	<u>6,654,166</u>	<u>-</u>	<u>-</u>	<u>6,654,166</u>
Total liabilities	<u>23,582,890</u>	<u>118,414</u>	<u>22,593</u>	<u>23,723,897</u>
Net Assets	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</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, 2010

	Private Purpose <u>Trust Fund</u>
Additions - interest earnings	\$ 275
Deductions - cemeteries	<u>(275)</u>
Change in net assets	-
Net assets at beginning of year	<u>-</u>
Net assets at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.