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REPORT TO THE BOARD

March 11, 2011

CONFIDENTIAL

The Board of Supervisors
Saratoga County Maplewood Manor:

We are pleased to have the opportunity to express to you our comments resulting from our audit of the financial statements of the Saratoga County Maplewood Manor (the Manor) as of and for the year ended December 31, 2010. As a result of our audit we have issued our Independent Auditors' Report thereon dated March 11, 2011. One of our responsibilities as auditors is to present additional information regarding the scope and results of the audit to assist you in overseeing the financial disclosure and reporting process of the Manor. The following offers comments on our involvement with that process and with management as it carries out its responsibilities.

Our Responsibilities under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Manor. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the financial statements and reports of the Manor does not extend beyond the financial information identified in the reports themselves. We do not have an obligation to perform any procedures to corroborate other information contained in these other documents. We are not aware of any documents containing the audited financial statements, which we would be required to review.

Significant Audit Findings

We are responsible for communicating significant matters related to the audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process of the Manor. However, we are not required to design procedures specifically to identify such matters.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Manor are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the Manor during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended December 31, 2010, we have evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Sensitive Disclosures

The disclosures in the financial statements are consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is note 13, the disclosure of commitments and contingencies with regard to the Manor's Co-Generation Plant.

Difficulties Encountered in Performing the Audit

No difficulties were encountered during the current year audit. No delays were noted in the commencement of the audit or in providing us with required information. Management and accounting personnel were very helpful in assisting us during our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. For the purposes of this report, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Manor's financial reporting process. There were no material uncorrected misstatements detected as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Manor's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Manor's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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This information is intended solely for the use of the Saratoga County Board of Supervisors and the management of the Manor and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve as your auditors. We would be pleased to respond to any questions you have about the foregoing or to review any other questions that you might have.

Very truly yours,

TOSKI, SCHAEFER & CO., P.C.