

SARATOGA COUNTY, NEW YORK

FINANCIAL REPORT

December 31, 2007

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Chairman and Board of Supervisors
Saratoga County, New York

We have audited the accompanying financial statements - statutory basis of Saratoga County, New York (County), as of and for the year ended December 31, 2007. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Saratoga County Industrial Development Agency, which is shown as a discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Saratoga County Industrial Development Agency, is based solely on the report of those 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note A to the financial statements, the County changed the basis of preparation for the December 31, 2007, financial statements to statutory accounting practices prescribed by the New York State Office of the State Comptroller for reporting to that office, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As more fully described in Note J, accounting principles prescribed by the New York State Office of the State Comptroller for reporting to that office, require that the estimated loss from the incurrence of a contingent liability be accrued by a charge to income. The County has not computed or recorded the estimated unpaid claims liability nor the estimated incurred but not reported claims liability of its self-insurance fund. Therefore, the financial statements for the Self Insurance Fund, as presented, are not in accordance with accounting principles prescribed by the New York State Office of the State Comptroller.

In our opinion, with the exception of the matter disclosed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Saratoga County, New York, as of December 31, 2007, and the results of its operations for the year then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2008, on our consideration of Saratoga County, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 5 are not a required part of the financial statements on the basis of accounting described in Note A. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplementary information. However, we did not audit the information and express no opinion on it.

This report is intended solely for the information and use of the Chairman, Board of Supervisors, the New York State Office of the State Comptroller, and the various Federal funding sources and is not intended to be and should not be used by anyone other than these specified parties.

Bollam Sheedy Torani & Co. LLP

Albany, New York
August 27, 2008

SARATOGA COUNTY, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007

EXECUTIVE SUMMARY

Saratoga County, New York's (County) growing property and sales tax bases and responsible fiscal management have allowed it to face ever increasing Medicaid costs, other expanding State mandates, and a depressed economy, without tax rate increases. The County's short to mid-range fiscal outlook is very healthy. Confident that it can and will manage its continuing growth responsibly, the County is optimistic about its long-range prospects as well.

The County's growth has been robust. The real property tax base has expanded by 21.6% in 2007 and by 72.3% over the past five years. That has been achieved at a level of taxation; \$2.15 per thousand, or 18.16% of the County's constitutional tax limit. Sales tax revenue has risen over 100% over the past ten years and 29% over the past five years.

SARATOGA COUNTY'S ECONOMY

The County's economy is based on agriculture and tourism. Tourism is centered around the Saratoga Racetrack, and the County's tourism offerings are varied and impervious to recession, due to the fact that the race track has a very wealthy world-wide clientele who are not affected by economic swings. Its agriculture, although dwindling, includes many horse farms owned by the people involved with the racetrack.

SARATOGA COUNTY GOVERNMENT PROGRAMS

Saratoga County government provides programs that are generally those typically provided by New York State counties. There is little flexibility or discretion left to individual counties. Over 75% of Saratoga County's general revenues are used to comply with State mandates.

The programs 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 programs are provided by entities related to the County: the Saratoga County Industrial Development Agency, the Saratoga County Soil and Water District, and the Saratoga Lake Improvement District.

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 of \$18,492,187 in 2007; of that amount, \$12,813,262 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 (JTPA). During 2007, 3,474 Saratoga County residents were trained, placed, or otherwise served at a cost to the federal government of \$731,186.

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 Special Revenue Funds. The Sewer District received sewage from 64,000 "equivalent domestic units," through a 310-mile collector system and treated at a 21.3 million-gallon/day treatment plant at a total 2007 cost of \$11,311,596.

Maplewood Manor, the County's long-term care facility, is accounted for in the County's other Enterprise Fund.

SARATOGA COUNTY, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007

SARATOGA COUNTY GOVERNMENT PROGRAMS - Continued

The wide variety of the remaining programs provided by County government is 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), record keeping (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 interacts with 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.

Many of these programs 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. In excess of 75% of the tax resources of the County goes to programs and expenditures mandated by New York State.

ANALYSIS OF THE COUNTY'S BUDGET AND FUND - BASIS FINANCES IN 2007

The 2007 General Fund budget, including \$20.6 million in transfers to other funds, was balanced using \$307,571 of fund balance. The County's Enterprise Fund, Maplewood Manor, lost \$6,406,478. The other budgeted funds were balanced without involving fund balance.

The largest single General Fund budget amendment was the recognition of a \$5,000,000 increase for payment to the towns, cities, and villages. This has occurred three times in the past and is a "rebate" to the municipalities in the County.

The County's fiscal performance during 2007 remained strong and has been strong for the past seventeen years.

In the area of public works, the priorities continually change which have affected both expenditures and revenues during 2007.

Due to the antiquated method that New York State uses to calculate Medicaid fees, resulting in expenses exceeding reimbursement, the County transferred \$6,305,645 in 2007 from its General Fund to Maplewood Manor.

CAPITAL INVESTMENT AND BONDED INDEBTEDNESS

Capital Assets: The County's investment in capital assets as of December 31, 2007, amounted to \$302,364,587. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. See financial statement Note D for a summary of the County's capital assets.

Long-Term Debt: The County's outstanding debt, including bonds and notes in December 31, 2007, was \$16,021,631. This entire amount is backed by the full faith and credit of the County. See financial statement Note H for a summary of the County's indebtedness.

SARATOGA COUNTY, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2007

FUTURE PROSPECTS FOR THE COUNTY'S FINANCES

Capping and fixing of New York State counties' Medicaid liability does not give Saratoga County any relief as a provider of Medicaid programs. Maplewood Manor's fiscal problems will continue to drain the County's excellent fiscal position.

The recognition, beginning in 2007, of other post-employment benefit liabilities will have 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 show the cost of that into the future. 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 fund this benefit over the near term, relative to other counties in the state.

Saratoga County will continue to grow and prosper.

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 4, 25 West High Street, Ballston Spa, New York 12020.

SARATOGA COUNTY, NEW YORK

**COMBINED BALANCE SHEET - ALL FUND TYPES AND SCHEDULES
December 31, 2007**

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Account Groups</u>			
	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Permanent</u>	<u>Maplewood</u>	<u>Self-</u>	<u>Fund Type</u>	<u>Non-current</u>	<u>Non-current</u>	<u>Total</u>	<u>Industrial</u>
		<u>Revenue</u>	<u>Projects</u>		<u>Manor</u>	<u>Insurance</u>	<u>Agency</u>	<u>Governmental</u>	<u>Governmental</u>	<u>Primary</u>	<u>Development</u>
							<u>Funds</u>	<u>Asset</u>	<u>Liability</u>	<u>Government</u>	<u>Agency</u>
ASSETS											
Cash and cash equivalents	\$ 21,239,698	\$ 8,552,869	\$ -	\$ 118,303	\$ 278,564	\$ 3,212,212	\$ 15,397,333	\$ -	\$ -	\$ 48,798,979	\$ 1,454,750
Cash and cash equivalents, restricted	-	-	-	-	68,449	2,958,248	-	-	-	3,026,697	-
Taxes receivable and tax sale certificates	16,301,118	-	-	-	-	-	-	-	-	16,301,118	-
Other receivables, less allowance for uncollectible	1,615,803	1,016,739	-	-	2,397,258	23,972	-	-	-	5,053,772	649,660
Federal and state receivables	26,813,433	4,434	-	-	-	-	-	-	-	26,817,867	-
Due from other governments	10,537,051	15,864	-	-	-	-	-	-	-	10,552,915	-
Due from other funds	-	897,936	7,845,444	-	-	122,287	1,597,875	-	-	10,463,542	-
Inventory	43,941	-	-	-	74,798	-	-	-	-	118,739	-
Prepaid expenses	-	-	-	-	97,777	-	-	-	-	97,777	-
Other assets	-	-	-	-	143,649	-	676,864	-	-	820,513	-
Capital assets, net of accumulated depreciation	-	-	-	-	5,338,547	-	-	297,026,040	-	302,364,587	132,400
Non-current governmental liabilities	-	-	-	-	-	-	-	-	13,865,000	13,865,000	-
Total assets	\$ 76,551,044	\$ 10,487,842	\$ 7,845,444	\$ 118,303	\$ 8,399,042	\$ 6,316,719	\$ 17,672,072	\$ 297,026,040	\$ 13,865,000	\$ 438,281,506	\$ 2,236,810
LIABILITIES AND FUND EQUITY											
Liabilities											
Accounts payable	\$ 7,494,431	\$ 1,184,291	\$ 627,774	\$ -	\$ 356,499	\$ 133,238	\$ 17,672,072	\$ -	\$ -	\$ 27,468,305	\$ -
Retained percentages	22,404	36,043	66,946	-	-	-	-	-	-	125,393	-
Customer deposits	-	-	-	-	68,449	-	-	-	-	68,449	-
Due to other funds	5,245,917	47,884	3,929,897	-	1,239,844	-	-	-	-	10,463,542	-
Due to other governments	11,443,666	-	-	-	-	-	-	-	-	11,443,666	-
Deferred revenue	15,291,637	14,437	-	-	21,097	21,891	-	-	-	15,349,062	-
Other payable	-	-	-	-	871,514	-	-	-	-	871,514	-
Accrued employee compensated absences	1,483,547	390,192	-	-	720,054	12,381	-	-	-	2,606,174	-
Capital lease obligations	-	-	-	-	2,156,631	-	-	-	-	2,156,631	-
Bonds payable	-	-	-	-	-	-	-	-	13,865,000	13,865,000	-
Total liabilities	40,981,602	1,672,847	4,624,617	-	5,434,088	167,510	17,672,072	-	13,865,000	84,417,736	-
Fund equity/net assets											
Invested in capital assets, net of related debt	-	-	-	-	3,181,916	-	-	-	-	3,181,916	132,400
Non-current governmental assets	-	-	-	-	-	-	-	297,026,040	-	297,026,040	-
Reserved/restricted for											
Encumbrances	180,723	8,895	-	-	-	-	-	-	-	189,618	-
Other purposes	1,966,416	-	-	-	-	3,103,589	-	-	-	5,070,005	-
Restricted donation	-	-	-	118,303	-	-	-	-	-	118,303	-
Unreserved/unrestricted											
Appropriated	2,409,913	700,092	-	-	-	-	-	-	-	3,110,005	-
Unappropriated	31,012,390	8,106,008	3,220,827	-	(216,962)	3,045,620	-	-	-	45,167,883	2,104,410
Total fund equity/net assets	35,569,442	8,814,995	3,220,827	118,303	2,964,954	6,149,209	-	297,026,040	-	353,863,770	2,236,810
Total liabilities and fund equity	\$ 76,551,044	\$ 10,487,842	\$ 7,845,444	\$ 118,303	\$ 8,399,042	\$ 6,316,719	\$ 17,672,072	\$ 297,026,040	\$ 13,865,000	\$ 438,281,506	\$ 2,236,810

The accompanying Notes to Financial Statements are an integral part of these statements.

SARATOGA COUNTY, NEW YORK

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TYPES
Year Ended December 31, 2007**

	Governmental Fund Types				Total
	General	Special Revenue	Capital Projects	Permanent	(Memorandum Only)
REVENUES					
Real property taxes	\$ 40,564,644	\$ -	\$ -	\$ -	\$ 40,564,644
Real property tax items	3,020,373	-	-	-	3,020,373
Non-property tax items					
Sales tax received, localities share	44,923,390	-	-	-	44,923,390
Sales tax received, County share	48,077,805	-	-	-	48,077,805
Other	3,846,512	-	-	-	3,846,512
Departmental income	14,447,219	10,124,006	-	-	24,571,225
Intergovernmental charges	2,233,715	194,619	23,065	-	2,451,399
Use of money and property	2,635,324	1,652,507	-	6,445	4,294,276
Licenses and permits	18,992	-	-	-	18,992
Fines and forfeitures	380,291	-	-	-	380,291
Sale of property and compensation for loss	2,457,947	980,915	-	-	3,438,862
Miscellaneous local sources	809,659	885,666	14,705	-	1,710,030
State aid	28,290,882	1,975,908	-	-	30,266,790
Federal aid	16,538,077	830,665	12,660	-	17,381,402
Total revenues	<u>208,244,830</u>	<u>16,644,286</u>	<u>50,430</u>	<u>6,445</u>	<u>224,945,991</u>
EXPENDITURES					
General government support					
Sales tax distributed to localities	44,923,390	-	-	-	44,923,390
Other general government support	26,283,956	-	3,100,918	-	29,384,874
Education	16,319,423	-	-	-	16,319,423
Public safety	26,064,336	441,889	-	-	26,506,225
Health	18,140,032	-	-	-	18,140,032
Transportation	298,401	18,055,421	-	-	18,353,822
Economic assistance and opportunity	55,297,271	1,028,222	-	-	56,325,493
Culture and recreation	1,031,353	-	-	6,303	1,037,656
Home and community services	1,877,487	10,504,630	-	-	12,382,117
Debt service, principal	-	1,020,000	-	-	1,020,000
Debt service, interest	-	456,850	-	-	456,850
Total expenditures	<u>190,235,649</u>	<u>31,507,012</u>	<u>3,100,918</u>	<u>6,303</u>	<u>224,849,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,009,181</u>	<u>(14,862,726)</u>	<u>(3,050,488)</u>	<u>142</u>	<u>96,109</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	13,113,262	426,000	-	13,539,262
Operating transfers out	(19,844,727)	-	-	-	(19,844,727)
Total other financing sources (uses)	<u>(19,844,727)</u>	<u>13,113,262</u>	<u>426,000</u>	<u>-</u>	<u>(6,305,465)</u>
NET CHANGE IN FUND BALANCE	(1,835,546)	(1,749,464)	(2,624,488)	142	(6,209,356)
FUND BALANCE, <i>beginning of year</i>	35,702,608	10,686,356	5,845,315	118,161	52,352,440
Prior period adjustment	1,702,380	(121,897)	-	-	1,580,483
FUND BALANCE, <i>beginning of year, restated</i>	37,404,988	10,564,459	5,845,315	118,161	53,932,923
FUND BALANCE, <i>end of year</i>	\$ 35,569,442	\$ 8,814,995	\$ 3,220,827	\$ 118,303	\$ 47,723,567

The accompanying Notes to Financial Statements are an integral part of these statements.

SARATOGA COUNTY, NEW YORK

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND AND COMBINED SPECIAL REVENUE FUNDS
Year Ended December 31, 2007**

	General Fund			Combined Special Revenue Funds*			Total (Memorandum Only)		
	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Real property taxes	\$ 39,643,039	\$ 40,564,644	\$ 921,605	\$ -	\$ -	\$ -	\$ 39,643,039	\$ 40,564,644	\$ 921,605
Real property tax items	2,527,075	3,020,373	493,298	-	-	-	2,527,075	3,020,373	493,298
Non-property tax items									
Sales tax received, localities share	-	44,923,390	44,923,390	-	-	-	-	44,923,390	44,923,390
Sales tax received, County share	51,619,576	48,077,805	(3,541,771)	-	-	-	51,619,576	48,077,805	(3,541,771)
Other	4,985,000	3,846,512	(1,138,488)	-	-	-	4,985,000	3,846,512	(1,138,488)
Departmental income	13,780,436	14,447,219	666,783	10,205,000	10,122,606	(82,394)	23,985,436	24,569,825	584,389
Intergovernmental charges	2,221,417	2,233,715	12,298	375,006	194,619	(180,387)	2,596,423	2,428,334	(168,089)
Use of money and property	2,777,514	2,635,324	(142,190)	1,377,100	1,652,507	275,407	4,154,614	4,287,831	133,217
Licenses and permits	22,050	18,992	(3,058)	-	-	-	22,050	18,992	(3,058)
Fines and forfeitures	431,500	380,291	(51,209)	-	-	-	431,500	380,291	(51,209)
Sale of property/compensation for loss	2,383,000	2,457,947	74,947	560,100	980,915	420,815	2,943,100	3,438,862	495,762
Miscellaneous local sources	1,469,800	809,659	(660,141)	303,700	869,044	565,344	1,773,500	1,678,703	(94,797)
Interfund revenues	-	-	-	2,270,915	-	(2,270,915)	2,270,915	-	(2,270,915)
State aid	29,155,220	28,290,882	(864,338)	1,992,975	1,975,908	(17,067)	31,148,195	30,266,790	(881,405)
Federal aid	19,608,547	16,538,077	(3,070,470)	107,279	99,479	(7,800)	19,715,826	16,637,556	(3,078,270)
Total revenues	<u>170,624,174</u>	<u>208,244,830</u>	<u>37,620,656</u>	<u>17,192,075</u>	<u>15,895,078</u>	<u>(1,296,997)</u>	<u>187,816,249</u>	<u>224,139,908</u>	<u>36,323,659</u>
EXPENDITURES									
General government support									
Sales tax required to be distributed to localities	-	44,923,390	(44,923,390)	-	-	-	-	44,923,390	(44,923,390)
Other general government support	22,661,107	26,283,956	(3,622,849)	-	-	-	22,661,107	26,283,956	(3,622,849)
Education	16,955,032	16,319,423	635,609	-	-	-	16,955,032	16,319,423	635,609
Public safety	27,303,957	26,064,336	1,239,621	574,620	441,889	132,731	27,878,577	26,506,225	1,372,352
Health	19,552,772	18,140,032	1,412,740	-	-	-	19,552,772	18,140,032	1,412,740
Transportation	4,502,717	298,401	4,204,316	18,595,311	18,055,421	539,890	23,098,028	18,353,822	4,744,206
Economic assistance and opportunity	58,516,524	55,297,271	3,219,253	-	-	-	58,516,524	55,297,271	3,219,253
Culture and recreation	950,530	1,031,353	(80,823)	-	-	-	950,530	1,031,353	(80,823)
Home and community services	8,562,949	1,877,487	6,685,462	13,122,721	10,504,630	2,618,091	21,685,670	12,382,117	9,303,553
Debt service, principal	-	-	-	1,020,000	1,020,000	-	1,020,000	1,020,000	-
Debt service, interest	-	-	-	473,533	456,850	16,683	473,533	456,850	16,683
Total expenditures	<u>159,005,588</u>	<u>190,235,649</u>	<u>(31,230,061)</u>	<u>33,786,185</u>	<u>30,478,790</u>	<u>3,307,395</u>	<u>192,791,773</u>	<u>220,714,439</u>	<u>(27,922,666)</u>
Excess (deficiency) of revenues over expenditures	<u>11,618,586</u>	<u>18,009,181</u>	<u>6,390,595</u>	<u>(16,594,110)</u>	<u>(14,583,712)</u>	<u>(4,604,392)</u>	<u>(4,975,524)</u>	<u>3,425,469</u>	<u>8,400,993</u>
OTHER FINANCING SOURCES AND USES									
Appropriated fund balance	-	-	-	-	-	-	-	-	-
Operating transfers out	(22,061,098)	(19,844,727)	(2,216,371)	-	-	-	(22,061,098)	(19,844,727)	(2,216,371)
Operating transfers in	-	-	-	12,416,555	12,813,262	(396,707)	12,416,555	12,813,262	(396,707)
Total other financing sources (uses)	<u>(22,061,098)</u>	<u>(19,844,727)</u>	<u>(2,216,371)</u>	<u>12,416,555</u>	<u>12,813,262</u>	<u>(396,707)</u>	<u>(9,644,543)</u>	<u>(7,031,465)</u>	<u>(2,613,078)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	<u>\$ (10,442,512)</u>	<u>(1,835,546)</u>	<u>\$ 4,174,224</u>	<u>\$ (4,177,555)</u>	<u>(1,770,450)</u>	<u>\$ (5,001,099)</u>	<u>\$ (14,620,067)</u>	<u>(3,605,996)</u>	<u>\$ 5,787,915</u>
FUND BALANCE, beginning of year		35,702,608			10,685,445			46,388,053	
Prior period adjustment		<u>1,702,380</u>			<u>(29,314)</u>			<u>1,673,066</u>	
FUND BALANCE, beginning of year, restated		<u>37,404,988</u>			<u>10,656,131</u>			<u>48,061,119</u>	
FUND BALANCE, end of year		<u>\$ 35,569,442</u>			<u>\$ 8,885,681</u>			<u>\$ 44,455,123</u>	

*Excludes Employment and Training Fund, see Note A

The accompanying Notes to Financial Statements are an integral part of these statements.

SARATOGA COUNTY, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS
Year Ended December 31, 2007

	<u>Maplewood Manor</u>	<u>Fund Self Insurance</u>
OPERATING REVENUES		
Resident service revenue, net	\$ 16,239,569	\$ -
Intergovernmental charges	-	3,189,975
Use of money and property	-	260,815
Miscellaneous local sources	38,353	183,553
State aid	<u>567,549</u>	<u>-</u>
Total operating revenues	<u>16,845,471</u>	<u>3,634,343</u>
OPERATING EXPENSES		
Personal services	-	157,351
Contractual expenses	-	2,003,311
Employee benefits	-	69,350
Program services	10,841,996	-
Ancillary services	1,137,198	-
Non-revenue support services	10,673,114	-
Depreciation	536,105	-
Interest	<u>103,149</u>	<u>-</u>
Total operating expenses	<u>23,291,562</u>	<u>2,230,012</u>
Operating income (loss)	(6,446,091)	1,404,331
NON-OPERATING REVENUES (EXPENSES)		
Interest income	<u>39,613</u>	<u>-</u>
Income (loss) before transfers	(6,406,478)	1,404,331
TRANSFERS		
County subsidy	<u>6,305,465</u>	<u>-</u>
CHANGE IN NET ASSETS	(101,013)	1,404,331
NET ASSETS, <i>beginning of year</i>	3,065,967	4,745,274
Prior period adjustment	<u>-</u>	<u>(396)</u>
FUND BALANCE, <i>beginning of year, restated</i>	<u>3,065,967</u>	<u>4,744,878</u>
NET ASSETS, <i>end of year</i>	<u>\$ 2,964,954</u>	<u>\$ 6,149,209</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

SARATOGA COUNTY, NEW YORK

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended December 31, 2007

	Enterprise Fund Maplewood Manor	Internal Service Fund Self Insurance
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from providing services	\$ 15,256,819	\$ 3,630,286
Cash paid for contractual expenses	(4,706,752)	(1,979,273)
Cash paid for personal services and employee benefits	(17,759,353)	(216,241)
Cash received from other operating sources	521,190	2,477,004
	<u>(6,688,096)</u>	<u>3,911,776</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	(90,499)	-
Payments of capital lease obligations	(379,480)	-
Payments of software license payable	(26,281)	-
Interest paid	(103,149)	-
	<u>(599,409)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
County subsidy	6,305,465	-
Interest received	39,613	-
	<u>6,345,078</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(942,427)	3,911,776
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>1,220,991</u>	<u>2,258,684</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 278,564</u>	<u>\$ 6,170,460</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (6,446,091)	\$ 1,404,331
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	536,105	-
Interest paid	103,149	-
(Increase) decrease in		
Accounts receivable, net	(1,157,644)	(4,056)
Due from other funds	-	2,477,004
Inventory	11,306	-
Prepaid expenses	23,841	-
Increase (decrease) in		
Accounts payable and accrued liabilities	(5,848)	24,038
Due to other governments	133,329	-
Deferred revenue	6,049	10,459
Other payables	84,133	-
Accrued employee compensated absences	23,575	-
	<u>\$ (6,688,096)</u>	<u>\$ 3,911,776</u>

The accompanying Notes to Financial Statements are an integral part of these statements.