

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2011**

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

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BOLLAM, SHEEDY, TORANI & CO. LLP  
Certified Public Accountants  
Albany, New York

**INDEPENDENT AUDITOR'S REPORT**

Chairman and Members  
Town of Clifton Park Industrial Development Agency  
Clifton Park, New York

We have audited the accompanying statement of net assets of the Town of Clifton Park Industrial Development Agency (Agency) as of December 31, 2011, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2011, and the results of its operations and its cash flows 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 March 27, 2012, on our consideration of the Agency'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 read in conjunction with this report in considering the results of our audit.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented on page 8 is for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain 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, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Bollam Sheedy Torani & Co. LLP*

Albany, New York  
March 27, 2012

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF NET ASSETS**

	<b><u>December 31,</u></b> <b><u>2011</u></b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 166,197
Due from other governments	293
Prepaid expenses	<u>1,750</u>
<b>Total assets</b>	<b><u><u>\$ 168,240</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 1,425
<b>NET ASSETS, unrestricted</b>	<u>166,815</u>
	<b><u><u>\$ 168,240</u></u></b>

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

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS**

	<b>Year Ended December 31, 2011</b>
<b>OPERATING REVENUES</b>	
Charges for services	<b><u>\$ 115,624</u></b>
<b>OPERATING EXPENSES</b>	
Administrative fees	\$ 5,425
Consultants	129
Dues and memberships	2,933
Insurance	1,750
Meetings	620
Office expense	55
Professional fees	7,925
Program fees	57,269
Travel and mileage	1,230
	<u>77,336</u>
<b>Operating income</b>	<b>38,288</b>
<b>OTHER REVENUES</b>	
Interest income	<u>270</u>
<b>CHANGE IN NET ASSETS</b>	<b>38,558</b>
<b>NET ASSETS, beginning of year</b>	<u>128,257</u>
<b>NET ASSETS, end of year</b>	<b><u><u>\$ 166,815</u></u></b>

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

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF CASH FLOWS**

	<b>Year Ended December 31, 2011</b>
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Cash received from providing services	\$ 115,624
Cash payments contractual expenses	<u>(76,954)</u>
	<b><u>38,670</u></b>
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>	
Interest income	<u>270</u>
	<b>38,940</b>
<b>Net increase in cash and cash equivalents</b>	<b>38,940</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<u>127,257</u>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b><u>\$ 166,197</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ 38,288
Changes in operating assets and liabilities	
Accounts receivable	707
Prepaid expenses	(1,750)
Accounts payable	<u>1,425</u>
	<b><u>\$ 38,670</u></b>

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*a. Organization and Purpose*

The Town of Clifton Park Industrial Development Agency (Agency) was created in 1980 under the provisions of Chapter 630 of the General Municipal Laws of 1980 of the State of New York for the purpose of encouraging economic growth in the Town of Clifton Park, New York (Town). The Agency, although established by the Clifton Park Town Board, is a separate entity and operates independently of the Town.

The Agency's function is to authorize the issuance of industrial revenue bonds for industrial development projects and to assist business in acquiring or constructing various facilities in order to provide job opportunities and increase economic welfare. In return for its efforts, the Agency receives application and closing fees related to this business financing.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

*b. Basis of Accounting*

The Agency's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to the Agency is determined by its measurement focus. The transactions of the Agency are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statements of net assets.

*c. Use of Estimates*

The preparation of financial statements requires management 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

*d. Fair Value Measurement*

Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an "exit" price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date.

*e. Accounts Receivable*

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. The Agency determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. The Agency considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If, in the future, the Agency determines that amounts may be uncollectible, an allowance will be established and expenses will be charged when that determination is made.

*f. Revenue Recognition*

Revenue is generated from project application and administration fees and interest income and is recognized when earned. The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues are determined based on the services provided by the Agency. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*f. Revenue Recognition - Continued*

The Agency has a support and marketing agreement with Saratoga Economic Development Corporation (SEDC) to split fees collected by the Agency for financial assistance provided on behalf of SEDC applicants.

*g. Tax Status*

The Agency is exempt from federal, state, and local income taxes.

*h. Industrial Revenue Bond and Straight Lease Transactions*

Certain industrial development revenue bonds and straight leases issued by the Agency are secured by property which is leased to companies and is retired by these payments. The bonds and straight leases are not obligations of the Agency or New York State. The Agency does not record the assets or liabilities resulting from completed bonds and straight leases issued in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and lease holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives administration fees from the borrowing companies. Such administration fee income is recognized immediately upon issuance of bonds and leases. At December 31, 2011, the original issue value of bonds issued aggregated \$47,380,000, and the outstanding balance was \$35,053,799.

*i. Subsequent Events*

The Agency has evaluated subsequent events that provide additional evidence about conditions that existed at the financial statement date through March 27, 2012, the date the financial statements were available to be issued.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The Agency's investment policies are governed by New York State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit. Certificates of deposit purchased with a maturity of three months or less are considered cash equivalents. Obligations that may be pledged as collateral are obligations of the United States and its agencies or the State and its municipalities and school districts.

The Agency considers all short-term securities purchased with a maturity of three months or less to be cash equivalents.

Cash and cash equivalents at December 31, 2011, consisted of demand and time accounts of \$166,197 which were fully collateralized.

**NOTE 3 - TRANSACTIONS WITH OTHER GOVERNMENTS**

The Agency collects Payments In Lieu of Taxes (PILOT) payments from projects and submits these payments to the appropriate local taxing jurisdictions. During 2011, the Agency collected \$601,659 and submitted \$601,659 to other government agencies. At December 31, 2011, there were no balances due to or due from other governments.

PILOT receipts and PILOT payments are accounted for as pass-through transactions and are not included in the revenues or expenses of the Agency. The Agency is responsible for collecting and remitting the funds but does not bear the risk of loss if PILOT payments are not paid to the Agency by the respective companies.



**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011**

**NOTE 4 - ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

In December 2010, GASB issued GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting pronouncements issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

This statement also supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989, FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this statement. This statement is effective for financial statements for periods beginning after December 15, 2011.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. This statement is effective for all state and local governments for periods beginning after December 15, 2011.

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. The objective of this statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. This statement is effective for periods beginning after June 15, 2011, with earlier application encouraged.

Management has not estimated the extent of potential impact of these standards on the Agency's financial statements.

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**SUPPLEMENTAL INFORMATION - STATEMENT OF INDEBTEDNESS**

<b>Project Description</b>	<b>Year Ended December 31, 2011</b>							<b>Final Maturity Date</b>
	<b>Original Issue Amount</b>	<b>Original Issue Date</b>	<b>Current Interest Rate</b>	<b>Outstanding January 1, 2011</b>	<b>Issued During 2011</b>	<b>Principal Payments 2011</b>	<b>Outstanding December 31, 2011</b>	
Colburg Village	\$ 17,500,000	04/06	Varies	\$ 16,060,000	\$ -	\$ 415,000	\$ 15,645,000	05/2031
DCG Executive Woods	4,800,000	03/96	4.23%	3,334,125	-	230,000 *	3,104,125	07/2010
DCG Maxwell Road	16,000,000	08/02	1.23%	11,047,000	-	822,000	10,225,000	12/2011
Ushers Road	2,080,000	05/94	4.59%	608,512	-	150,287	458,225	09/2014
Plank Road Associate	3,500,000	09/03	5.25%	2,902,166	-	101,750	2,800,416	09/2013
YMCA Kidz Lodge - Note A	2,325,000	03/07	4.50%	2,075,791	-	84,441	1,991,350	09/2027
YMCA Kidz Lodge - Note B	1,175,000	03/07	4.50%	963,908	-	134,225	829,683	04/2017
	<b><u>\$ 47,380,000</u></b>			<b><u>\$ 36,991,502</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,937,703</u></b>	<b><u>\$ 35,053,799</u></b>	

\* Actual amount not available at this time - estimated payments based on historical trends.

BOLLAM, SHEEDY, TORANI & CO. LLP

Certified Public Accountants

Albany, New York

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Chairman and Members  
Town of Clifton Park Industrial Development Agency  
Clifton Park, New York

We have audited the financial statements of the Town of Clifton Park Industrial Development Agency (Agency) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 27, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we did identify a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as Item 11-01, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as Item 11-02.

The Agency's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Agency's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the members and management of the Agency, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended to be and should not be used by anyone other than those specified parties.

*Bollam Sheedy Torani & Co LLP*

Albany, New York  
March 27, 2012

**TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2011**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes      X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ X Yes    \_\_\_\_\_ None
- Noncompliance material to financial statements? \_\_\_\_\_ Yes      X   No

**Section II - Financial Statement Findings**

**11-01. Control over Disbursement Process**

*Criteria:* The Agency's controls and procedures related to cash disbursements require review of invoices prior to payment.

*Condition:* The Agency's controls did not identify an incorrectly calculated invoice, resulting in the Agency overpaying a vendor for services.

*Effect:* An increased risk in incorrect payment of invoices.

*Cause:* Improper review of disbursements.

*View of Responsible Officials:* Management has reviewed its procedures for cash disbursements and will add additional controls to verify invoices are correct before issuing payment.

**Section III - Compliance Findings**

**11-02. Posting and Maintaining Reports on Public Authority Websites**

*Criteria:* The New York State Authority Budget Office (ABO) issued Policy Guidance on April 12, 2010, in response to The Public Authorities Reform Act (PARA) of 2009. This guidance states that effective immediately, public authorities are required to make specific information available to the public through the internet.

*Condition:* The Agency is not in compliance with PARA requirements.

*Effect:* Agency information is currently not available to the public through the internet.

*Cause:* The Agency did not oversee proper maintenance of the shared website.

*Recommendation:* Using available ABO guidance, the Agency should update its website and schedule periodic maintenance and review to ensure required information is available to the public in a timely manner.

*View of Responsible Officials:* The Agency continues to work with the Town of Clifton Park to obtain the necessary rights to post Agency information directly to the Town's website.