

TOWN OF CLIFTON PARK, NEW YORK
REGULATORY BASIS FINANCIAL STATEMENTS
DECEMBER 31, 2016

TOWN OF CLIFTON PARK, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and Members of
the Town Board of the Town
of Clifton Park, New York

We have audited the accompanying regulatory basis financial statements of the Town of Clifton Park, New York (the "Town") as of and for the year ended December 31, 2016, as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these regulatory basis financial statements in accordance with accounting principles prescribed by the New York State Office of the State Comptroller. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory basis financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory basis financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the Town prepared these financial statements using accounting principles prescribed by the New York State Office of the State Comptroller to demonstrate compliance with the State's regulatory basis of accounting, which practices differ from accounting principles generally accepted in the United States of America. The differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are described in Note 1 to the financial statements. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Town of Clifton Park, New York, as of December 31, 2016, and the changes in its financial position for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 1(k), the Town has not recorded other postemployment benefits in accordance with the regulatory basis of accounting. The amounts that would have been recorded as a liability, had other postemployment benefits been recorded in accordance with generally accepted accounting principles, is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except as explained in the previous paragraph, the regulatory basis financial statements referred to above present fairly, in all material respects, the financial position of the Town of Clifton Park, New York as of December 31, 2016, and the results of its operations for the year then ended in accordance with accounting principles prescribed by the New York State Office of the State Comptroller.

Other Matters

The accompanying schedule of expenditures of federal awards on page 48, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2017 on our consideration of the Town'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* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
September 22, 2017

TOWN OF CLIFTON PARK, NEW YORK

GENERAL FUND

REGULATORY BASIS BALANCE SHEET

DECEMBER 31, 2016

Assets

Cash	\$ 8,339,424
Cash - restricted	556,598
Other receivables	950,424
State and federal receivables	162,858
Due from other funds	2,515,292
Due from other governments	1,903,981
Prepaid expenses	<u>221,342</u>

Total Assets \$ 14,649,919

Liabilities

Accounts payable	\$ 424,228
Accrued liabilities	122,135
Due to other funds	21,190
Due to other governments	<u>3,513</u>

Total Liabilities 571,066

Deferred Inflows of Resources

380,967

Fund Balance

Nonspendable	221,342
Restricted	556,598
Committed	91,884
Assigned	2,419,449
Unassigned	<u>10,408,613</u>

Total Fund Balance 13,697,886

Total Liabilities, Deferred Inflows of Resources
and Fund Balance \$ 14,649,919

TOWN OF CLIFTON PARK, NEW YORK
GENERAL FUND

REGULATORY BASIS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Modified Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance</u>
Revenues				
Real property tax items	\$ 152,034	\$ 152,034	\$ -	\$ -
Non-property tax items	11,834,218	11,834,218	-	-
Departmental income	1,715,197	1,745,667	-	30,470
Use of money and property	632,074	656,659	-	24,585
Licenses and permits	424,913	424,913	-	-
Fines and forfeitures	592,718	592,949	-	231
Sales of property and compensation for loss	32,500	32,405	-	(95)
Miscellaneous local sources	29,893	29,965	-	72
Interfund revenues	246,286	247,928	-	1,642
State aid	1,589,497	1,589,497	-	-
Total Revenues	17,249,330	17,306,235	-	56,905
Expenditures				
General government support	2,691,551	2,372,484	3,213	315,854
Public safety	2,146,518	1,778,173	53,291	315,054
Health	24,000	7,848	-	16,152
Transportation	322,971	254,994	-	67,977
Economic assistance and opportunity	368,571	360,568	-	8,003
Culture and recreation	3,281,282	2,878,178	63,649	339,455
Home and community services	1,318,326	1,135,477	275	182,574
Employee benefits	2,632,878	2,584,408	-	48,470
Debt service (principal and interest)	83,438	73,064	-	10,374
Total Expenditures	12,869,535	11,445,194	120,428	1,303,913
Other Financing Uses				
Operating transfers	4,385,195	4,534,846	-	(149,651)
Total Expenditures and Other Financing Uses	17,254,730	15,980,040	120,428	1,154,262
Excess (Deficiency) of Revenues and Other Financing Services Over Expenditures and Other Financing Uses				
	<u>\$ (5,400)</u>	1,326,195	<u>\$ (120,428)</u>	<u>\$ 1,211,167</u>
Fund Balance - January 1, 2016		12,371,691		
Fund Balance - December 31, 2016		<u>\$ 13,697,886</u>		

TOWN OF CLIFTON PARK, NEW YORK
HIGHWAY FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 789,291
Cash-restricted	771,939
Other receivables	123,479
Due from other funds	17,841
Due from other governments	7,443
Prepaid expenses	<u>72,752</u>
Total Assets	<u><u>\$ 1,782,745</u></u>
Liabilities	
Accounts payable	\$ 172,697
Accrued liabilities	44,765
Due to other funds	<u>210,435</u>
Total Liabilities	<u><u>427,897</u></u>
Deferred Inflows of Resources	<u>20,000</u>
Fund Balance	
Nonspendable	72,752
Restricted	771,939
Assigned	<u>490,157</u>
Total Fund Balance	<u>1,334,848</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 1,782,745</u></u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Modified</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>		
Revenues			
Real property tax	\$ 562,938	\$ 562,938	\$ -
Real property tax items	34,429	34,429	-
Use of money and property	230,600	230,748	148
Sales of property and compensation for loss	4,300	4,277	(23)
Miscellaneous	1,000	986	(14)
State aid	<u>401,972</u>	<u>401,960</u>	<u>(12)</u>
Total Revenues	1,235,239	1,235,338	99
Other Financing Sources			
Operating transfers	<u>4,243,630</u>	<u>4,243,630</u>	-
Total Revenues and Other Financing Sources	<u><u>5,478,869</u></u>	<u><u>5,478,968</u></u>	<u>99</u>
Expenditures			
Transportation	3,863,244	3,579,376	283,868
Employee benefits	1,142,370	1,119,632	22,738
Debt service	<u>473,255</u>	<u>473,249</u>	<u>6</u>
Total Expenditures	<u><u>5,478,869</u></u>	<u><u>5,172,257</u></u>	<u>306,612</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u><u>\$ -</u></u>	306,711	<u><u>\$ 306,711</u></u>
Fund Balance - January 1, 2016		<u>1,028,137</u>	
Fund Balance - December 31, 2016		<u><u>\$ 1,334,848</u></u>	

TOWN OF CLIFTON PARK, NEW YORK
WATER FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 163,853
Due from other funds	338
Total Assets	<u>\$ 164,191</u>
Liabilities	
Accounts payable	\$ 16,050
Due to other funds	178,871
Total Liabilities	<u>194,921</u>
Fund Balance (Deficit)	
Unassigned Deficit	<u>(30,730)</u>
Total Liabilities and Unassigned Deficit	<u>\$ 164,191</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Real property tax	\$ 91,049	\$ 91,049	\$ -
Real property tax items	1,978	-	(1,978)
Use of money and property	-	18	18
Total Revenues	<u>93,027</u>	<u>91,067</u>	<u>(1,960)</u>
Expenditures			
Home and community services	7,977	6,447	1,530
Debt service (principal and interest)	93,143	93,032	111
Total Expenditures	<u>101,120</u>	<u>99,479</u>	<u>1,641</u>
Deficiency of Revenues Over Expenditures	<u>\$ (8,093)</u>	(8,412)	<u>\$ (319)</u>
Unassigned Deficit - January 1, 2016		<u>(22,318)</u>	
Unassigned Deficit - December 31, 2016		<u>\$ (30,730)</u>	

TOWN OF CLIFTON PARK, NEW YORK
SEWER FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 1,263,681
Other receivables	33,080
State and federal receivables	31,250
Due from other funds	118,619
Prepaid expenses	4,841
Total Assets	<u>\$ 1,451,471</u>
Liabilities	
Accounts payable	\$ 21,071
Accrued liabilities	5,821
Due to other funds	168,198
Total Liabilities	<u>195,090</u>
Deferred Inflows of Resources	
Unearned revenues	<u>39,555</u>
Fund Balance	
Nonspendable	4,841
Assigned	1,211,985
Total Fund Balance	<u>1,216,826</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,451,471</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Real property tax	\$ 842,452	\$ 842,452	\$ -
Real property tax items	2,902	2,902	-
Departmental income	135,884	136,279	395
Intragovernmental charges	107,910	108,322	412
Use of money and property	-	860	860
Miscellaneous local sources	-	834	834
Total Revenues	<u>1,089,148</u>	<u>1,091,649</u>	<u>2,501</u>
Expenditures			
Home and community services	924,498	633,751	290,747
Employee benefits	86,906	83,328	3,578
Debt service (principal and interest)	119,438	119,337	101
Total Expenditures	<u>1,130,842</u>	<u>836,416</u>	<u>294,426</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources and Uses	<u>\$ (41,694)</u>	255,233	<u>\$ 296,927</u>
Fund Balance - January 1, 2016		<u>961,593</u>	
Fund Balance - December 31, 2016		<u>\$ 1,216,826</u>	

TOWN OF CLIFTON PARK, NEW YORK
REFUSE AND GARBAGE FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 71,959
Due from other funds	23,809
Total Assets	<u>\$ 95,768</u>
Liabilities	
Accounts payable	\$ 87,349
Due to other funds	431
Total Liabilities	<u>87,780</u>
Fund Balance	
Assigned	<u>7,988</u>
Total Fund Balance	<u>7,988</u>
Total Liabilities and Fund Balance	<u>\$ 95,768</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Real property taxes and tax items	\$ 94,324	\$ 94,321	\$ (3)
Use of money and property	-	17	17
Sales of property and compensation for loss	-	5,927	5,927
Total Revenues	<u>94,324</u>	<u>100,265</u>	<u>5,941</u>
Expenditures			
Home and community services	<u>139,073</u>	<u>139,072</u>	<u>1</u>
Total Expenditures	<u>139,073</u>	<u>139,072</u>	<u>1</u>
Excess of Revenues Over Expenditures	<u>\$ (44,749)</u>	(38,807)	<u>\$ 5,942</u>
Fund Balance - January 1, 2016		<u>46,795</u>	
Fund Balance - December 31, 2016		<u>\$ 7,988</u>	

TOWN OF CLIFTON PARK, NEW YORK
PARK FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 1,180,546
Due from other funds	31,283
Total Assets	<u>\$ 1,211,829</u>
Liabilities	
Accounts payable	\$ 114,228
Accrued expenses	2,634
Due to other funds	158,798
Total Liabilities	<u>275,660</u>
Fund Balance	
Assigned (\$49,093 appropriated for 2017 budget)	936,169
Total Fund Balance	<u>936,169</u>
Total Liabilities and Fund Balance	<u>\$ 1,211,829</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Real property tax	\$ 323,462	\$ 323,462	\$ -
Real property tax items	1,458	1,458	-
Departmental income	158,521	163,491	4,970
Use of money and property	406	511	105
Total Revenues	<u>483,847</u>	<u>488,922</u>	<u>5,075</u>
Expenditures			
Culture and recreation	722,431	519,223	203,208
Employee benefits	10,387	9,402	985
Debt service	18,328	18,328	-
Total Expenditures	<u>751,146</u>	<u>546,953</u>	<u>204,193</u>
Other Financing Uses:			
Operating transfers	<u>-</u>	<u>442</u>	<u>(442)</u>
Total Expenditures and Other Financing Uses	<u>751,146</u>	<u>547,395</u>	<u>203,751</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (267,299)</u>	<u>(58,473)</u>	<u>\$ 208,826</u>
Fund Balance - January 1, 2016		<u>994,642</u>	
Fund Balance - December 31, 2016		<u>\$ 936,169</u>	

TOWN OF CLIFTON PARK, NEW YORK
LIGHTING FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 268,325
Total Assets	<u>\$ 268,325</u>
Liabilities	
Accounts payable	\$ 16,065
Accrued expenses	15,756
Due to other funds	<u>24,550</u>
Total Liabilities	<u>56,371</u>
Fund Balance	
Assigned	<u>211,954</u>
Total Fund Balance	<u>211,954</u>
Total Liabilities and Fund Balance	<u>\$ 268,325</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Real property tax	\$ 260,000	\$ 260,002	\$ 2
Use of money and property	-	62	62
Total Revenues	<u>260,000</u>	<u>260,064</u>	<u>64</u>
Expenditures			
Transportation	<u>260,000</u>	<u>246,107</u>	<u>13,893</u>
Total Expenditures	<u>260,000</u>	<u>246,107</u>	<u>13,893</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	13,957	<u>\$ 13,957</u>
Fund Balance - January 1, 2016		<u>197,997</u>	
Fund Balance - December 31, 2016		<u>\$ 211,954</u>	

TOWN OF CLIFTON PARK, NEW YORK
LIBRARY FUND

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Actual</u>
Revenues	
Intergovernmental charges	\$ 529,757
Total Revenues	<u>529,757</u>
Expenditures	
Debt service (principal and interest)	<u>529,757</u>
Total Expenditures	<u>529,757</u>
Excess of Revenues Over Expenditures	-
Fund Balance - January 1, 2016	<u>-</u>
Fund Balance - December 31, 2016	<u>\$ -</u>

TOWN OF CLIFTON PARK, NEW YORK
AMBULANCE FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 435,572
Other receivables	21,190
Total Assets	<u>\$ 456,762</u>
Fund Balance	
Assigned	\$ 456,762
Total Fund Balance	<u>\$ 456,762</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Real property taxes	\$ 685,083	\$ 685,083	\$ -
Departmental income	60,000	89,480	29,480
Total Revenues	<u>745,083</u>	<u>774,563</u>	<u>29,480</u>
Expenditures			
Health	<u>832,086</u>	<u>832,097</u>	<u>(11)</u>
Total Expenditures	<u>832,086</u>	<u>832,097</u>	<u>(11)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (87,003)</u>	<u>(57,534)</u>	<u>\$ 29,469</u>
Fund Balance - January 1, 2016		<u>514,296</u>	
Fund Balance - December 31, 2016		<u>\$ 456,762</u>	

TOWN OF CLIFTON PARK, NEW YORK
SPECIAL GRANT FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 31,907
Other receivables	4,340
Total Assets	<u>\$ 36,247</u>
Liabilities	
Accrued expenses	\$ 3,837
Deferred revenues	<u>27,816</u>
	31,653
Fund Balance	
Assigned	<u>4,594</u>
Total Fund Balance	<u>4,594</u>
Total Liabilities and Fund Balance	<u>\$ 36,247</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Actual</u>
Revenues	
Federal aid	<u>\$ 330,653</u>
Total Revenues	<u>330,653</u>
Expenditures	
Home and community services	<u>326,589</u>
Total Expenditures	<u>326,589</u>
Excess of Revenues Over Expenditures	4,064
Fund Balance - January 1, 2016	<u>530</u>
Fund Balance - December 31, 2016	<u>\$ 4,594</u>

TOWN OF CLIFTON PARK, NEW YORK
FIRE PROTECTION FUND

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	<u>Actual</u>
Revenues	
Real property taxes	\$ 400,119
Total Revenues	<u>400,119</u>
Expenditures	
Public safety	<u>400,119</u>
Total Expenditures	<u>400,119</u>
Excess of Revenues Over Expenditures	-
Fund Balance - January 1, 2016	<u>-</u>
Fund Balance - December 31, 2016	<u><u>\$ -</u></u>

TOWN OF CLIFTON PARK, NEW YORK
CAPITAL PROJECTS FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Cash	\$ 2,030,998
Federal and state receivables	1,849,644
Due from other funds	4,425
Due from other governments	122,561
Prepaid expenses	3,167
Total Assets	<u>\$ 4,010,795</u>
Liabilities	
Accounts payable and retainage	\$ 1,370,492
Accrued expenses	56,565
Bond anticipation notes payable	2,621,720
Due to other funds	1,947,552
Due to other governments	34,029
Total Liabilities	<u>6,030,358</u>
Deferred Inflows of Resources	
Unearned revenues	<u>1,860,029</u>
Fund Balance (Deficit)	
Nonspendable	3,167
Unassigned Deficit	<u>(3,882,759)</u>
Total Fund Balance (Deficit)	<u>(3,879,592)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 4,010,795</u>

Regulatory Basis Statement of Revenues, Expenditures and Changes in Fund Deficit
For the Year Ended December 31, 2016

	<u>Actual</u>
Revenues and Other Financing Sources	
Miscellaneous revenue	\$ 168,001
Use of money and property	190
State aid	87,842
Federal aid	1,628,512
Operating transfers	291,658
BANs redeemed from appropriations	232,140
Proceeds from long-term leases	198,999
Total Revenues and Other Financing Sources	<u>2,607,342</u>
Expenditures	
Transportation	591,697
Culture and recreation	3,338,286
Home and community services	347,746
Total Expenditures	<u>4,277,729</u>
Deficiency of Revenues and Other Financing Sources Over Expenditures	(1,670,387)
Fund Deficit - January 1, 2016	<u>(2,209,205)</u>
Fund Deficit - December 31, 2016	<u>\$ (3,879,592)</u>

TOWN OF CLIFTON PARK, NEW YORK
AGENCY FUND

Regulatory Basis Balance Sheet
December 31, 2016

Assets

Cash	\$ 2,107,330
Due from other funds	977
Other assets	<u>18,567</u>
Total Assets	<u><u>\$ 2,126,874</u></u>

Liabilities

Due to other funds	\$ 2,559
Agency liabilities	<u>2,124,315</u>
Total Liabilities	<u><u>\$ 2,126,874</u></u>

TOWN OF CLIFTON PARK, NEW YORK
NON-CURRENT GOVERNMENTAL ASSETS ACCOUNT GROUP

Regulatory Basis Balance Sheet
December 31, 2016

Assets	
Land	\$ 6,232,602
Improvements other than buildings	8,304,928
Buildings	10,813,222
Conservation easement	9,483,715
Machinery and equipment	<u>2,076,486</u>
Other capital assets	36,910,953
Total Capital Assets	
Deferred outflows of resources - pension	<u>4,150,947</u>
Total Non-Current Governmental Asset Account Group	<u><u>\$ 41,061,900</u></u>
Investment in fixed assets other assets	<u><u>\$ 41,061,900</u></u>

TOWN OF CLIFTON PARK, NEW YORK
NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP

Regulatory Basis Balance Sheet
December 31, 2016

Assets

Due from the Clifton Park-Halfmoon Public Library	\$ 6,274,876
Provisions to be made in future budgets	<u>8,459,813</u>
Total Assets	<u><u>\$ 14,734,689</u></u>

Liabilities

Landfill closure and post closure costs	\$ 125,000
Installment purchase debt	857,155
Judgments and claims payable	254,000
Compensated absences	1,118,042
Bonds payable	8,213,000
Net pension liability	<u>3,725,813</u>
	14,293,010
Deferred inflows of resources - pension	<u>441,679</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>\$ 14,734,689</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Clifton Park, New York (“the Town”) have been prepared in conformity with accounting principles prescribed by the New York State Office of the State Comptroller for complying with Article 3, Section 30 of General Municipal Law in which every municipal corporation is required to make an annual financial report (Annual Update Document or “AUD”). The most significant difference between this regulatory basis of accounting and Generally Accepted Accounting Principles (“GAAP”) is that Government Accounting Standards Board (“GASB”) Statement 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments” need not be implemented to meet the requirements of General Municipal Law. GASB 34 requires significant changes including:

- Government-Wide Reporting
- Focus on Major Funds
- Changes in Budgetary Reporting
- Full Accrual Accounting Including Depreciation
- Management’s Discussion and Analysis
- Capitalization of Infrastructure Assets

Management has considered the costs and benefits of adopting GASB 34 and determined that reporting in financial statements utilizing another comprehensive basis of accounting as opposed to GAAP makes fiscal sense for the Town.

Although the AUD does not require the reporting of modified budget information, a budget to actual comparison has been included in these financial statements for each applicable fund.

The following is a summary of significant accounting policies:

A. Financial Reporting Entity

The Town of Clifton Park, New York, the primary government, was incorporated in 1828, and is governed by the Charter of the Town of Clifton Park, the Town law and other general laws of the State of New York and various local laws and ordinances. The Town Board is the legislative body responsible for the overall operation of the Town and consists of the Supervisor and four council members. The Supervisor serves as chief executive officer and chief fiscal officer of the Town.

The Town provides the following basic services: public safety, police protection, parks and recreation, sewer, water, lighting and highway maintenance.

The financial reporting entity includes all funds, account groups, functions and organizations over which the Town Officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

The reporting entity of the Town is based upon criteria set forth by GASB Statement No. 61, *The Financial Reporting Entity*. As required by OSC guidelines, the AUD of the reporting entity includes the Town (the primary government) and its blended component units. The Town has determined it has no blended component units based on the criteria set forth in GASB Statement 61. The following potential component units were excluded from the reporting entity:

Clifton Park Water Authority - This potential component unit has a separate appointed board and provides service to residents, generally within the geographic boundaries of the government. Although the Town Board appoints the board of the potential component unit, it is excluded from the reporting entity because the Town does not have the ability to exercise influence or control over their daily operations, approve their budget, is not required to provide funding, and is not responsible for their debt.

Fire Districts - There are several fire districts which provide services to residents of the Town. Real property taxes for these districts are levied with the Town property tax levy. These districts are separate legal entities with separate governing boards and are not fiscally dependent on the Town. Therefore, they are excluded from the reporting entity.

In conformity with OSC guidelines, the financial statements of the following component unit have been excluded from the AUD as a discretely presented unit because it is not a blended component unit and issues separate financial statements.

Industrial Development Agency

The Town of Clifton Park Industrial Development Agency (the Agency) is a Public Benefit Corporation created by state legislation to promote the economic welfare, recreation opportunities and prosperity of the Town inhabitants. Members of the Agency are appointed by the Town Board which exercises no oversight responsibility. The Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The municipality is not liable for Agency bonds or notes.

Complete financial statements of the component unit can be obtained directly from their administrative office.

The Town of Clifton Park
Industrial Development Agency
One Town Hall Plaza
Clifton Park, New York 12065

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types and account groups are used:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the Town's governmental fund types:

- a. General Fund - To account for all unrestricted resources except for those required to be accounted for in another fund. It operates within the financial limits of an annual budget adopted by the Town Board.
- b. Special Revenue Funds - To account for the proceeds of special revenue resources other than major capital projects or to finance specified activities as required by law or administrative regulations. Funds operate within the financial limits of an annual budget adopted by the Town Board and consist of the following:
 - 1) Lighting Fund - The Lighting District Fund is used to record the taxes levied in the lighting district and the expenditures made to the utility company providing the lighting for the district.
 - 2) Water Fund - The Town has a total of nine water districts; seven districts which have been created for the sole purpose of paying for the debt to establish these districts. The Clifton Park Water Authority and the Town of Ballston provide the water service.
 - 3) Park Funds - There are thirteen park districts throughout the Town. Each district levies taxes on property owners within the District. Expenditures are made for maintenance and equipment for the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Governmental Fund Types (Continued)

b. Special Revenue Funds (Continued)

- 4) Sewer Funds - The Town has ten operating sewer districts. Their revenues are obtained from property taxes.
 - 5) Refuse and Garbage District Fund - The Town established the Clifton Knolls Refuse and Garbage District. Taxes are levied on property owners within the District. Expenditures are made for the collection of brush and leaves within the District.
 - 6) Highway Fund - Used to account for the revenues and expenditures for repairs and improvements to town highways; purchase, repair, maintenance and storage of highway machinery; tools and equipment, pursuant to Section 133 of the Highway Law; controlling weeds and brush along highway and snow removal for highways.
 - 7) Special Grant Fund - Section 8 Housing - Used to account for funds received from the federal government to operate a public housing program for eligible low-income families and the elderly through an authorized public housing agency.
 - 8) Library Fund - Used to account for the funds received and then transferred to the Clifton Park/Halfmoon Public Library for the proportionate share of the Town of Clifton Park.
 - 9) Ambulance Fund - This fund is used to account for the amount raised in real estate taxes.
 - 10) Fire Protection Fund - This fund is used to account for the amount raised in real estate taxes and then transferred to the Clifton Park Water Authority.
- c. Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- d. Fiduciary Funds

Agency Funds - Agency funds are used to account for money (and/or property) received and held in the capacity of trustee, custodian or agent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Governmental Fund Types (Continued)

e. Accounts Groups

Account groups are used to establish accounting control and accountability for general long-term debt and general fixed assets. They are concerned with measurement of financial position and not results of operations.

- a. The Non-Current Governmental Assets Account Group - used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes.
- b. The Non-Current Governmental Liabilities Account Group - used to account for all long-term debt. Also included are the estimated compensated absences liability of the Town and other long-term obligations.

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in various funds and account groups. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus. Measurement focus is the determination of what should be measured, i.e. expenditures or expenses.

1. Governmental Funds - The modified accrual basis of accounting is followed by the governmental funds. Under this basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter, within 60 days to be used to pay liabilities of the current period.

Material revenue sources considered susceptible to accrual include real property taxes, State and Federal aid, sales tax and certain use charges in the special revenue funds. For those types of revenue sources, such as grants, where expenditures are the prime factors for determining eligibility, revenues are recognized when the expenditure is made.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid expenses or inventory-type items are recognized at the time of the disbursement.
- b. Principal and interest on indebtedness are recognized as an expenditure when due.
- c. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as an expenditure when paid.
- d. Pension costs are recognized as an expenditure when due.

D. Property Taxes and Collections

Town real property taxes are levied together with Saratoga County property taxes annually no later than January 1 and become a lien on April 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill.

The Town is responsible for collecting Town and County taxes; however, the Town is authorized to satisfy its entire tax roll from the first taxes collected. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

E. Budgetary Data

1. Budget Policies

- a. The budget policies of the primary government are as follows:
 - 1) No later than September 30, the Budget Officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. No later than October 5, the Town Clerk submits a tentative budget to the Town Board. The tentative budget includes proposed expenditures and the proposed means of financing for all funds of the Town.
 - 2) After public hearings are conducted to obtain taxpayer comments, no later than November 20, the Legislature adopts the budget.
 - 3) All revisions that alter appropriations of any department or fund must be approved by the Town Board, except for interdepartmental adjustments less than \$5,000 which may be approved by the Comptroller.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Data (Continued)

2. Encumbrances

Encumbrances are reservations of the fund balance for outstanding purchase commitments. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with the OSC accounting guidelines. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

F. Cash and Investments

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Demand accounts and certificates of deposit are authorized to be used. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State of New York, its municipalities and school districts.

G. Capital Assets

Capital assets with an original cost of \$1,000 or more and an estimated useful life of two years or more are reported at historical costs, or estimated historical cost if actual is unavailable.

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds.

H. Deferred Compensation Plan

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with the Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Under the terms of the amended Plan agreement, these monies are no longer subject to the claims of the Town's general creditors.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences

Under the terms of contractual agreements and Town policy, substantially all employees are entitled to accrued vacation and sick leave up to specified maximum amounts. Upon termination or retirement specified amounts are paid to eligible employees.

Payment of vacation and sick leave recorded in the Non-Current Governmental Liabilities Account Group is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and sick leave.

Estimated vacation and sick leave accumulated by governmental fund type employees and additional salary related payments have been recorded in the Non-current Governmental Liabilities Account Group.

J. Retirement Plans

The Town provides retirement benefits for its employees through contributions to the New York State and Local Employees' Retirement System. The system provides various plans and options, some of which require employee contributions.

K. Other Postemployment Benefits ("OPEB")

In addition to providing pension benefits, the Town also provides certain health care benefits for retired employees and their dependents. Substantially all of the Town employees may become eligible for those benefits if they reach normal retirement age while working for the Town.

Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" ("GASB 45") requires the Town to recognize the cost of pension benefits to be reflected in the financial statements in the periods in which the exchange occurs rather than in the periods when the benefits are paid. GASB 45 requires the services of an actuary to calculate current OPEB costs and to amortize prior service costs over a period not to exceed thirty years. The expense recognized under this policy would be significantly larger than current practice which recognized expense on a pay-as-you-go basis.

The Town has evaluated the costs and benefits of adopting GASB 45 and determined that at this time the cost outweighs the benefit. Therefore, the Town has continued to recognize OPEB costs on a pay-as-you-go basis, which is not in accordance with generally accepted accounting principles. The amount that would be recorded in the Non-current Governmental Liabilities Account Group had GASB 45 been adopted is not known.

OPEB costs recognized as incurred were approximately \$435,000 in 2016 for 38 retirees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Estimates

The preparation of the regulatory basis financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates. The significant estimates included in the regulatory basis financial statements include the estimate of claims incurred but not reported for the self-insured workers' compensation and medical plans. It is reasonably possible that the estimates noted above will change in the near term due to one or more future events which would be material to the regulatory basic financial statements.

The Town has not provided for a complete estimate of sales tax revenue because the available information does not report the final adjustments, if any, that may be imposed by the State as a result of their tax enforcement procedures.

M. Self-Insurance

1. Workers' Compensation

The Town participates in the County's self-insurance pool (the Plan) to cover under the Workers' Compensation Law. Other cities, towns, villages, fire districts, youth commissions and public benefit corporations within the County of Saratoga can participate. Each participant is billed by the Plan for their share of the estimated costs for the ensuing year. Any deficiencies in the amounts billed are added to next year's bill.

As described in Note 6 the Town has retained a portion of the liability for the claims it has incurred.

2. Dental Benefit Plan

The Town is self-insured for dental benefits on a cost-reimbursement basis. Under the program, the Town is responsible for claim payments.

All known claims filed and an estimate of all incurred but unreported claims existing at December 31, 2016 have been recorded as accounts payable in the general fund.

The Town establishes dental claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on estimates of outstanding claims, the process used in computing claim liabilities does not necessarily result in an exact amount. Adjustments to claim liabilities are charged or credited to the liability in the periods in which they are made.

2. CASH AND INVESTMENTS

At year end, the book amount of the Town's deposits was \$18,351,962 and the bank balance was \$17,952,679. The insured and collateral status of the year end bank balance was as follows:

Status of Bank Balances

Covered by federal deposit insurance	\$ 4,824,211
Collateralization with securities held by third party custodians for the benefit of the Town, pursuant to third party custody agreements	<u>14,668,176</u>
Total	<u>\$ 19,492,387</u>

Cash restricted in the General Fund and Highway Fund equal the amount of restricted fund balance which is detailed in Note 10.

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Balance</u> <u>January 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2016</u>
Land	\$ 6,232,602	\$ -	\$ -	\$ 6,232,602
Improvements Other than Buildings	10,594,585	283,467	(64,830)	10,813,222
Buildings	8,304,928	-	-	8,304,928
Conservation Easement	1,535,496	-	-	1,535,496
Infrastructure	76,400	-	-	76,400
Machinery and Equipment	9,351,430	650,712	(108,812)	9,893,330
Construction in Progress	<u>45,975</u>	<u>16,000</u>	<u>(7,000)</u>	<u>54,975</u>
Total	<u>\$ 36,141,416</u>	<u>\$ 950,179</u>	<u>\$ (180,642)</u>	<u>\$ 36,910,953</u>

4. PREPAID EXPENSES

The Town elected to prepay its required contributions to the New York State and Local Employees' Retirement System. Prepaid expenses by fund consists of the following:

	<u>Pension</u>	<u>Other</u>	<u>Total Prepaid Expenses</u>
General	\$ 165,359	\$ 55,983	\$ 221,342
Highway	72,752	-	72,752
Sewer	4,841	-	4,841
Capital Projects	-	3,167	3,167
Total	<u>\$ 242,952</u>	<u>\$ 59,150</u>	<u>\$ 302,102</u>

5. SHORT-TERM DEBT

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the capital projects fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter.

State law requires that BAN's issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following is a summary of changes in BAN's for the year ended December 31, 2016:

BAN's Outstanding , January 1, 2016	\$ 1,698,860
BAN's Issued	2,621,720
BAN's Redeemed	<u>(1,698,860)</u>
BAN's Outstanding, December 31, 2016	<u>\$ 2,621,720</u>

A \$481,320 BAN bears interest at .86% and matures May 26, 2017. A \$185,400 BAN bears interest at .85% and matures February 10, 2017. A \$1,300,000 BAN bears interest at .70% and matures June 30, 2017. A \$655,000 BAN bears interest at 1% and matures November 30, 2017.

6. LONG-TERM DEBT

The following is a summary of changes in long-term debt outstanding at December 31, 2016:

	Payable			Other Net	Payable
	<u>1/1/16</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Increase</u>	<u>12/31/16</u>
				<u>(Decrease)</u>	
Serial Bonds (a)	\$ 8,718,000	\$ -	\$ (505,000)	\$ -	\$ 8,213,000
Judgments and Claims (b)	170,000	-	-	43,000	213,000
Worker's Compensation (c)	35,000	-	-	-	35,000
Post Closure Landfill					
Monitoring (d)	125,000	-	-	-	125,000
Compensated Absences (e)	1,168,857	-	-	(50,815)	1,118,042
Installment Purchase (f)	981,811	198,999	(323,655)	-	857,155
Dental Claims (g)	6,000	-	-	-	6,000
Net Pension Liability					
(Footnote 10)	784,278	-	-	2,941,535	3,725,813
Deferred Inflows of					
Resources - Pension					
(Footnote 10)	-	-	-	441,679	441,679
Total	<u>\$ 11,988,946</u>	<u>\$ 198,999</u>	<u>\$ (828,655)</u>	<u>\$ 3,375,399</u>	<u>\$ 14,734,689</u>

(a) Serial Bonds

Serial Bonds - The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

The following is a summary of serial bonds outstanding at December 31, 2016:

<u>Serial Bonds</u>	<u>Maturity</u>	<u>Issue and</u>	<u>Interest</u>
	<u>Due Date</u>	<u>Rate</u>	<u>Amount</u>
Sherwood Forest Sewer District	2026	4.0-5.3%	\$ 73,000
Sewer, Water and Parks Projects	2035	2.0-4.25%	7,015,000
Refunded 2003 Sewer and Water			
Projects and 2005 Library, Sewer and			
Water Projects	2030	2.0-3.0%	<u>1,125,000</u>
Total			<u>\$ 8,213,000</u>

6. LONG-TERM DEBT (CONTINUED)

(a) Serial Bonds (Continued)

The Town of Clifton Park issued Library General Obligation Serial Bonds to finance construction of an addition to the Clifton Park-Halfmoon Public Library. This activity is accounted for in the Library Fund and the receivable and related debt is included in the Non-Current Governmental Liabilities Account Group. Repayment of the debt and related interest is provided for in the annual budget of the Clifton Park-Halfmoon Public Library.

The following is a schedule of principal and interest payments for future debt service requirements and the total principal and interest payment due from the Clifton Park Library as of December 31, 2016:

	<u>Principal</u>	<u>Interest</u>	<u>Due from Clifton Park- Halfmoon Library</u>	
			<u>Principal</u>	<u>Interest</u>
2017	\$ 511,000	\$ 206,681	\$ 384,467	\$ 147,189
2018	526,000	195,666	393,960	139,405
2019	546,000	184,201	403,453	131,431
2020	552,000	172,486	408,199	123,314
2021	567,000	160,568	417,692	115,055
2022-2026	2,841,000	614,485	2,240,349	441,162
2027-2032	2,455,000	212,989	2,026,756	123,956
2032-2035	215,000	20,856	-	-
Total	<u>\$ 8,213,000</u>	<u>\$ 1,767,932</u>	<u>\$ 6,274,876</u>	<u>\$ 1,221,512</u>

(b) Judgment and Claims

Several tax certiorari actions are pending against the Town for reductions in the assessed value of various properties. The petitions are for taxes collected from 1996-2015. Management believes that the likelihood of a reduction is probable. Provisions for losses for taxes collected from 1996-2015 for those cases are recorded in the Non-Current Governmental Liabilities Account Group.

(c) Workers' Compensation

The Town participates in the County's self-insurance pool for workers compensation. Under terms of the Plan the Town retains liability for the portion of a claim that is estimated to exceed the shared liability limit. The Town has determined the estimated value for this potential loss and recorded the liability in the Non-Current Governmental Liabilities Account Group.

7. LONG-TERM DEBT (CONTINUED)

(d) Post Closure Landfill Monitoring

The Town of Clifton Park entered into an Order of Consent with the Department of Environmental Conservation (DEC) on April 30, 1991 for the purpose of ensuring the proper maintenance and future closure of the Town's landfill. This order includes specific requirements and deadlines for the Town to follow and meet or they could be subject to penalties. The Town ceased accepting refuse after October 1, 1991 in accordance with the consent order. The status of compliance with the consent order is subject to review by the Department of Environmental Conservation. The current estimated liability for post closure care costs of the landfill is approximately \$125,000.

However, the actual cost of post closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. The liability is recorded in the Non-Current Governmental Liabilities Account Group and is funded in the general fund through current appropriations.

(e) Compensated Absences

Compensated absences represents the estimated value of the earned and unused leave credits, based on current salary rates.

(f) Installment Purchase

The following is a summary of capital leases outstanding at December 31, 2016:

<u>Capital Lease</u>	<u>Lease Date</u>	<u>Term of Lease</u>	<u>Balance as of December 31, 2016</u>
Highway Equipment	11/01/2008	10 years	\$ 49,067
Highway Equipment	12/15/2011	7 years	120,405
Highway Equipment	12/15/2014	7 years	281,145
Parks and Highway Equipment	01/27/2016	7 years	406,538
Total			<u>\$ 857,155</u>

6. LONG-TERM DEBT (CONTINUED)

(f) Installment Purchase (Continued)

The following is a schedule of future minimum lease payments:

2017		\$	259,227
2018			207,841
2019			145,624
2020			145,624
2021			72,044
Thereafter			72,044
			904,404
Amount Representing Interest			(45,249)
			\$ 857,155

(g) Dental Claims

Dental claims represents incurred but not reported claims.

7. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, deferred inflows of resources is reduced and revenue is recognized.

Deferred inflows of resources consists of the following:

General Fund:		
Arena Deferred Income	\$	211,558
Land Lease		154,000
Other		15,409
Total General Fund	\$	380,967
Highway Fund:		
Federal and State Aid	\$	20,000
Sewer Fund:		
Sewer Rents	\$	39,555
Capital Projects Fund:		
Federal and State Aid	\$	1,860,029

8. INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

Interfund receivables, payables and transfers at December 31, 2016 and for the year then ended were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Operating Transfer Revenue</u>	<u>Operating Transfer Expense</u>
General	\$ 2,515,292	\$ 21,190	\$ -	\$ 4,534,846
Highway	17,841	210,435	4,243,630	-
Water	338	178,871	-	-
Sewer	118,619	168,198	-	-
Refuse and Garbage	23,809	431	-	-
Parks	31,283	158,798	-	442
Lighting	-	24,550	-	-
Capital Projects	4,425	1,947,552	291,658	-
Trust & Agency	977	2,559	-	-
Total	<u>\$ 2,712,584</u>	<u>\$ 2,712,584</u>	<u>\$ 4,535,288</u>	<u>\$ 4,535,288</u>

9. FUND BALANCE

The Town has implemented GASB 54 “Fund Balance Reporting and Governmental Fund Type Definitions.”

GASB 54 defines five categories of fund balance as follows:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Board.
- **Assigned** fund balance includes amounts that are constrained by the Town Board to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the Town or designated by the Town for the ensuing year’s budget.
- **Unassigned** fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund.

9. FUND BALANCE (CONTINUED)

Fund balances for major funds are detailed as follows:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Nonspendable					
Prepaid Expenses	\$ 221,342	\$ 72,752	\$ -	\$ 4,841	298,935
Restricted					
Water	44,998	-	-	-	44,998
Parkland	221,166	-	-	-	221,166
Historic Preservation	34,273	-	-	-	34,273
Open Space	256,161	-	-	-	256,161
Traffic	-	771,939	-	-	771,939
	<u>556,598</u>	<u>771,939</u>	<u>-</u>	<u>-</u>	<u>1,328,537</u>
Committed					
Capital	<u>91,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,884</u>
Assigned					
Stabilization	2,000,000	-	-	-	2,000,000
Capital	299,021	-	-	-	299,021
Encumbrances	120,428	-	-	-	120,428
Highway	-	490,157	-	-	490,157
Sewer Fund	-	-	-	1,211,985	1,211,985
	<u>2,419,449</u>	<u>490,157</u>	<u>-</u>	<u>1,211,985</u>	<u>4,121,591</u>
Unassigned (Deficit)	<u>10,408,613</u>	<u>-</u>	<u>(30,730)</u>	<u>-</u>	<u>10,377,883</u>
Total	<u>\$ 13,697,886</u>	<u>\$ 1,334,848</u>	<u>\$ (30,730)</u>	<u>\$ 1,216,826</u>	<u>\$ 16,218,830</u>

The Town Board determines whether restricted, committed, assigned or unassigned amounts are considered to have been spent first when resources are available from multiple constraint levels. The default policy is that resources are first spent from the highest constraint level.

10. PENSION PLANS

General Information

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and New York State. The System is a cost sharing multiple-employer, public employee retirement system. The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

10. PENSION PLANS (CONTINUED)

Plan Description and Benefits Provided. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York (the “Comptroller”) serves as sole trustee and administrative head of the System. System benefits are established under provisions of the New York State Retirement and Social Security Laws (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined the System after July 27, 1976 who contribute 3% of their salary, for the first ten years of membership and employees who joined on or after January 1, 2010 who generally must contribute 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems’ fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100% of the contributions required as follows:

2016	\$ 971,808
2015	\$ 1,161,829
2014	\$ 1,264,680

At December 31, 2016, the Town reported a liability of \$3,725,813 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

10. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At December 31, 2016, the Town's proportion was .0232134% percent.

At December 31, 2016, the Town reported deferred outflows of resources related to pensions from the following sources:

	<u>Total Deferred Outflows of Resources</u>	<u>Total Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,827	\$ 441,633
Changes of assumptions	993,562	-
Net difference between projected and actual earnings on pension plan investments	2,210,357	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	199,345	46
Contributions subsequent to the measurement date	<u>728,856</u>	<u>-</u>
	<u>\$ 4,150,947</u>	<u>\$ 441,679</u>

The net amount of the employer's balances of deferred outflows of resources related to pensions will be recognized in pension expense as follows:

December 31, 2017	\$ 1,490,480
December 31, 2018	761,624
December 31, 2019	761,624
December 31, 2020	<u>695,540</u>
	<u>\$ 3,709,268</u>

10. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions (Continued)

ERS Actuarial Assumptions. The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016.

Significant actuarial assumptions used in the April 1, 2015 valuation were a follows:

Interest rate	7.0%
Salary increase	3.8%
Inflation rate	2.5%
Cost of living adjustments	1.3%
Decrement tables	April 1, 2005 - March 31, 2010 System's Experience

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period August 1, 2010 - March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

10. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 for ERS were as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return ERS</u>
Domestic equity	7.30%
International equity	8.55%
Private equity	11.0%
Real estate	8.25%
Absolute return strategies	6.75%
Opportunistic portfolio	8.60%
Real assets	8.65%
Bonds and mortgages	4.0%
Cash	2.25%
Inflation-indexed bonds	4.0%

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Assets/Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Town's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

<u>ERS</u>	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
Employers' proportionate share of the net pension asset (liability)	\$ <u>(8,401,438)</u>	\$ <u>(3,725,813)</u>	\$ <u>224,890</u>

10. PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

The components of the net pension liability of the fiduciary as of March 31, 2016 was as follows (in thousands):

	<u>ERS</u>
Employers' total pension liability	\$ (172,303,544)
Fiduciary net position	<u>156,253,265</u>
Employers' net pension liability	<u><u>(16,050,279)</u></u>
Ratio of fiduciary net position to the employers' total pension liability	<u><u>90.7%</u></u>

11. TAX ABATEMENT

The Town enters into Payment in Lieu of Taxes (“PILOTS”) agreements with some local businesses. PILOTS are often included as part of an Industrial Development Agency (“IDA”) agreement with a commercial or industrial development for the purpose of attracting or retaining business within their jurisdictions. PILOT agreements normally provide for payments of amounts lesser than would have been collected for real estate taxes for a number of years.

For the year ended December 31, 2016, the Town recognized \$28,153 in PILOT revenue under PILOT agreements. Abated property taxes amounted to \$6,735 under this program.

12. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

Capital projects had deficits totaling \$3,879,592 at December 31, 2016; this deficit is caused by allowing contracts for projects funded with Bond Anticipation Notes and prior to recognizing the available revenues for the projects. The revenues will be recognized when serial bonds are issued and when eligible costs have been incurred and they are available.

The Water Fund currently has a deficit of \$30,730. This deficit has occurred from the General Fund loaning money to the Water Fund in order to pay for excess capacity in the construction of a water line. This excess capacity will be repaid to the General Fund when new users are approved and added to the water line.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through September 22, 2017, the date the financial statements were available to be issued. No such events or transactions were identified.

14. COMMITMENT AND CONTINGENCIES (CONTINUED)

The Town has leased the arena to a management company. As part of the agreement the Town has granted a mortgage on the arena for the purpose of expanding the facility. The Town is not obligated to repay the debt incurred by the lease, except to the extent of the collateral given.

The Town is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Town has purchased commercial insurance, for all risk above, with minimal deductible amounts except for certain health benefits insurance and workers' compensation insurance. Settled claims have not exceeded the commercial coverage by any material amounts during the year ended December 31, 2016. There was no reduction in insurance coverage during 2016. An estimate of liability is recorded at December 31, 2016 for outstanding claims or for any potential claims incurred but not reported as of that date in the Non-Current Governmental Liabilities Account Group for all other risks.

In July 2017, the Town passed a bond resolution for the issuance of up to \$1,000,000 in new funds to repair and pave Town roads.

The Town participated in a self-insurance plan for workers' compensation under County of Saratoga Local Law No. 1 and 2, pursuant to Article 5 of the Workers' Compensation Law. The plan, which currently has 53 participants, is open to any eligible municipality or public entity for participation. The County of Saratoga, New York is responsible for administration of the plan and its reserves. The plan purchases commercial insurance for employer's third party suit; the limit is \$1,000,000 with retention of \$10,000. Settled claims have not resulted in a claim against this excess liability coverage since the inception of the plan. All participants make annual payments to the plan based upon historic estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. For the year ended December 31, 2016 the Town's workers' compensation premium was \$126,210. The Town's annual workers' compensation premium is included in the County tax levy for the given fiscal year, therefore no expenditure is reflected in the Town's financial statements for workers' compensation. The County issues a publicly available financial report which may be obtained by writing to the County of Saratoga, 40 McMaster Street, Ballston Spa, New York 12020.

FEDERAL PROGRAM AWARD INFORMATION

**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***

To the Supervisor and
Members of the Town Board
Town of Clifton Park, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the Town of Clifton Park, New York, as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Town of Clifton Park, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Clifton Park, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Clifton Park, New York's internal control.

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 Town of Clifton Park, New York's regulatory basis financial statements will not be prevented, or detected and corrected on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Clifton Park, New York's regulatory basis financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Clifton Park, New York's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
September 22, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Supervisor and Members
of the Town Council of the
Town of Clifton Park, New York

Report on Compliance for Each Federal Program

We have audited the Town of Clifton Park, New York's (the "Town") compliance with the type of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Clifton Park, New York's major federal programs for the year ended December 31, 2016. The Town of Clifton Park, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Clifton Park, New York's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Clifton Park, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Clifton Park, New York's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Clifton Park, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

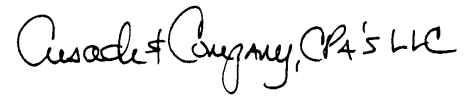
Management of the Town of Clifton Park, New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit on compliance, we considered the Town of Clifton Park, New York's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Clifton Park, New York's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
September 22, 2017

TOWN OF CLIFTON PARK, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Federal Financial Assistance of the Primary Government:		
<u>U.S. Department of Housing and Urban Development</u>		
Direct:		
Section 8 Housing Vouchers	14.871	\$ <u>330,653</u>
<u>U.S. Department of Transportation</u>		
Highway Planning and Construction Cluster:		
Passed Through NYS Department of Transportation		
Mohawk Towpath Byway	20.219	743,460
Vischer Ferry Preserve	20.205	47,315
Crescent Road/Mohawk Towpath Byway	20.205	<u>1,656,963</u>
Total U.S. Department of Transportation (Highway and Construction Cluster)		<u>2,447,738</u>
Total Expenditures of Federal Awards of the Primary Government		<u>\$ 2,778,391</u>

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents expenditures under federal financial assistance programs administered by the Town of Clifton Park, New York and is presented on the accrual basis of accounting.

Relationship to Financial Statements

Federal awards revenue is reported in the Town of Clifton Park, New York's financial statements as follows:

Special Grant Fund	\$ 330,653
Capital Projects Fund	1,628,512
Capital Projects Change in Unearned Federal Aid	<u>819,226</u>
Total Federal Financial Assistance	<u>\$ 2,778,391</u>

2. SCOPE OF AUDIT PURSUANT TO THE UNIFORM GUIDANCE

The Town of Clifton Park, New York is an independent municipal corporation. All federal grant operations of the primary government and its blended component units, are included in the scope of the single audit.

3. INDIRECT COST RATE

The Town has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance. The Town's indirect cost rates are set by the individual grantors.

TOWN OF CLIFTON PARK, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

SECTION I — SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:		Modified
Internal control over financial reporting:		
• “Going concern” explanatory paragraph included in audit report?	___ Yes	___ X No
• Significant deficiency(ies) identified?	___ Yes	___ X none reported
• Significant deficiency(ies) identified reported as material weakness(es)?	___ Yes	___ X No
• Noncompliance material to financial statements?	___ Yes	___ X No

Federal Awards

Internal control over major programs:		
• Significant deficiency(ies) identified?	___ Yes	___ X No
• Significant deficiency(ies) reported for any major programs as a material weakness(es)?	___ Yes	___ X No
• Any known questioned costs reported?	___ Yes	___ X No
Type of auditor’s report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.515(d)(2) of the Uniform Guidance?	___ Yes	___ X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205/20.219	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between type A and type B programs:		\$ 750,000
Auditee qualified as low-risk auditee?	___ Yes	___ X No

SECTION II — FINANCIAL STATEMENT FINDINGS

None

SECTION III - SCHEDULE OF FINDINGS AND QUESTIONED COSTS

None