

***TOWN OF CLIFTON PARK  
INDUSTRIAL DEVELOPMENT AGENCY***

***FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION***

***DECEMBER 31, 2014***

**TOWN OF CLIFTON PARK**  
**INDUSTRIAL DEVELOPMENT AGENCY**

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*DECEMBER 31, 2014*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Town of Clifton Park  
Industrial Development Agency  
Clifton Park, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Town of Clifton Park Industrial Development Agency (the "Agency") which comprise the statement of net position as of December 31, 2014, and the related statements of revenues, expenses, changes in net position and cash flows for the year then ended, 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the 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 entity'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.

## **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, 2014, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the Agency's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying supplementary information on page 9 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management has omitted management's discussion and analysis. Such information is not a required part of the basic financial statements but is supplemental information 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.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2015 on our consideration of the entity'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 entity'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  
April 2, 2015

**TOWN OF CLIFTON PARK**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*STATEMENT OF NET POSITION*  
*DECEMBER 31, 2014*

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**Assets**

Assets:

Cash	\$ 338,530
Prepaid Expenses	<u>2,141</u>
Total Assets	<u>\$ 340,671</u>

**Liabilities and Net Position**

Net Position, Unrestricted	<u>\$ 340,671</u>
Total Net Position	<u>\$ 340,671</u>

**TOWN OF CLIFTON PARK**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION*  
*FOR THE YEAR ENDED DECEMBER 31, 2014*

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Revenues:

Administrative Fees - Net	\$ 14,875
Interest Income	96
Miscellaneous	<u>376</u>
Total Revenues	<u>15,347</u>

Expenses:

Administrative Fees	9,000
Professional Fees	6,425
Insurance	1,907
Travel	2,591
Dues and Subscriptions	2,199
Conferences	2,495
Miscellaneous	<u>545</u>
Total Expenses	<u>25,162</u>

Change in Net Position	(9,815)
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Net Position, at Beginning of Year	<u>350,486</u>
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Net Position at End of Year	<u><u>\$ 340,671</u></u>
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**TOWN OF CLIFTON PARK**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*STATEMENT OF CASH FLOWS*  
*FOR THE YEAR ENDED DECEMBER 31, 2014*

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Cash Flows from Operating Activities:

Receipts from Customers	\$ 28,750
Miscellaneous Income	376
Interest Income	96
PILOT Payments Received	162,413
Payments for Project Expenses	(13,875)
Payments to Vendors	(26,346)
PILOT Payments Paid	<u>(162,413)</u>

Cash Used In Operating Activities	(10,999)
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Cash at Beginning of Year	<u>349,529</u>
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Cash at End of Year	<u><u>\$ 338,530</u></u>
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Reconciliation of Operating Income to Net Cash  
Used In Operating Activities:

Change in Net Position	\$ (9,815)
Adjustments to Reconcile Change in Net Position to Net Cash Used In Operating Activities:	
Change in Operating Assets and Liabilities	
Prepaid Expenses	(234)
Accounts Payable	<u>(950)</u>
Cash Used In Operating Activities	<u><u>\$ (10,999)</u></u>

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization and Purpose*

The Town of Clifton Park Industrial Development Agency (the “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 (the “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 and leases for industrial development projects and to assist businesses 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 accompanying financial statements follows.

*Accounting Method*

The Agency’s financial statements are prepared using the accrual basis of accounting with accounting principles generally accepted in the United States of America (GAAP) for public authorities. The Government 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 in the statement of net position.

*Estimates*

In preparing financial statements in conformity with GAAP, management is required 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.

*Cash*

The Agency’s investment policy and statutes authorize the Agency to maintain deposits with FDIC-insured commercial banks located within the state. The Agency is authorized to use demand accounts, money market accounts and certificates of deposit. Collateral is required for all deposits not covered by federal deposit insurance. As of December 31, 2014, all funds of the Agency were insured or collateralized.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Revenue Recognition*

Revenue is generated from project application, administration fees and interest income. Revenue is recognized when earned, and expenses are recognized when incurred. 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.

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.

*Industrial Revenue Bonds 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 those payments. The bonds and straight leases are not obligations of the Agency, the Town 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 administrative fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and leases. At December 31, 2014 the outstanding balance of bonds was \$0.

*Tax Status*

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

*Subsequent Events*

In preparing the financial statements and notes thereto, the Agency considered subsequent events or transactions as to any potential material impact on operations or financial position occurring through April 2, 2015, the date the financial statements were available to be issued. No such events were identified.

**2. FEE SHARING AGREEMENT**

The Agency has an agreement with SEDC in which administrative fees for project costs up to \$10 million are shared equally and administrative fees for project costs from \$10 million to \$20 million are shared with 75% to the Agency and 25% to SEDC. Fees shared with SEDC amounted to \$13,875 and were reported as an offset to administrative fee income in the statement of revenues, expenses and changes in net position.

## **SUPPLEMENTAL INFORMATION**

**TOWN OF CLIFTON PARK**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*STATEMENT OF INDEBTEDNESS*  
*DECEMBER 31, 2014*

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<b><u>Project Description</u></b>	<b><u>Original Issue Date</u></b>	<b><u>Outstanding January 1, 2014</u></b>	<b><u>Issued During 2014</u></b>	<b><u>Principal Payments 2014</u></b>	<b><u>Outstanding December 31, 2014</u></b>	<b><u>Final Maturity Date</u></b>
Ushers Road Partners	May 1994	<u>\$ 121,863</u>	<u>\$ -</u>	<u>\$ 121,863</u>	<u>\$ -</u>	September 2014

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**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***

Board of Directors  
Town of Clifton Park  
Industrial Development Agency  
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 financial statements of the Town of Clifton Park Industrial Development Agency, as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated April 2, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Clifton Park Industrial Development Agency'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Clifton Park Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Clifton Park Industrial Development Agency'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 Industrial Development Agency's 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 Industrial Development Agency's financial statements are free from 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 Industrial Development Agency'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 of Clifton Park Industrial Development Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
April 2, 2015

**TOWN OF CLIFTON PARK**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*SCHEDULE OF CURRENT YEAR FINDINGS*  
*FOR THE YEAR ENDED DECEMBER 31, 2014*

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**2014-1 Good Practices**

Many agencies, in their annual organizational meeting, reaffirm their policies, such as:

- Conflict of Interest
- Property Disposition Policy
- Procurement Policy
- Investment Policy
- Authorized Bank Accounts

We recommend that management consider annual reaffirmation of these policies.