MAPLEWOOD MANOR LOCAL DEVELOPMENT CORPORATION

(A Component Unit of the County of Saratoga, New York)

Financial Statements and
Independent Auditors' Report

December 31, 2014 and 2013

MAPLEWOOD MANOR LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the County of Saratoga, New York)

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TOSKI & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Maplewood Manor Local Development Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Maplewood Manor Local Development Corporation (the Corporation), a component unit of the County of Saratoga, New York, which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for years then ended, and the related notes to 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 these financial statements based on our audits. We conducted our audits 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 Corporation'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 Corporation'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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maplewood Manor Local Development Corporation as of December 31, 2014 and 2013, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2015, on our consideration of the Corporation'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 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 Corporation's internal control over financial reporting and compliance.

Toski & Co., CPAs, P.C.

Williamsville, New York
March 4, 2015

MAPLEWOOD MANOR LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the County of Saratoga)
Statements of Financial Position
December 31, 2014 and 2013

Assets	2014	2013
Cash and equivalents	$ 85,775	300,662
Funds held by escrow agent	1,965,000	1,965,000
Total assets	$ 2,050,775	2,265,662
Liabilities and Net Assets		
Liabilities:		
Accounts payable	9,560	-
Due to County of Saratoga	2,041,215	2,115,000
Bid deposit	-	150,000
Total liabilities	2,050,775	2,265,000
Unrestricted net assets	-	662
Total liabilities and net assets	$ 2,050,775	2,265,662

See accompanying notes to financial statements.

MAPLEWOOD MANOR LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the County of Saratoga)
Statements of Activities
Years ended December 31, 2014 and 2013

	2014	2013
Unrestricted revenue:		
Sale of facility	$ -	2,115,000
Rent	73,785	79,283
Interest	60	466
Total unrestricted revenue	73,845	2,194,749
Unrestricted expenses:		
Distribution to the County of Saratoga	-	2,115,000
Administrative	74,507	79,087
Total unrestricted expenses	74,507	2,194,087
Change in unrestricted net assets	(662)	662
Unrestricted net assets at beginning of year	662	-
Unrestricted net assets at end of year	$ -	662

See accompanying notes to financial statements.

MAPLEWOOD MANOR LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the County of Saratoga)
Statements of Cash Flows
Years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in unrestricted net assets	$ (662)	662
Adjustments to reconcile change in unrestricted net assets to cash provided by (used in) operating activities:		
Change in:		
Funds held by escrow agent	-	(1,965,000)
Accounts payable	9,560	-
Due to County of Saratoga	(73,785)	2,115,000
Bid deposit	(150,000)	150,000
Net cash provided by (used in) operating activities	(214,887)	300,662
Cash and equivalents at beginning of year	300,662	-
Cash and equivalents at end of year	$ 85,775	300,662

See accompanying notes to financial statements.

MAPLEWOOD MANOR LOCAL DEVELOPMENT CORPORATION
(A Component Unit of the County of Saratoga, New York)
Notes to Financial Statements
December 31, 2014 and 2013

(1) Organization

The Maplewood Manor Local Development Corporation (the Corporation) is a special purpose, bankruptcy-remote local development corporation organized under the Not-For-Profit Corporation Law of the State of New York. The Corporation is an instrumentality of, but separate and apart from the County of Saratoga, New York (the County). Although legally separate from the County, the Corporation is a component unit of the County and, accordingly, is included in the County's financial statements as a discretely presented component unit.

The Corporation's mission is to seek and transfer the land and the facilities of the Maplewood Manor Health Care Center to the highest qualified bidder. In doing so, the Corporation shall examine and consider, where applicable, the bidders' competency and character, history of employee relations and practices, quality of care of residents, record of retaining facilities subsequent to acquisition, willingness to agree to build a new facility at the site, willingness to continue to care for all existing residents at the time of acquisition (unless otherwise indicated by the New York State Department of Health criteria), financial stability, and willingness to consider existing staff as potential employees.

All proceeds realized from the sale will be distributed to the County.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Corporation has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America. The Corporation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Corporation had only unrestricted net assets in 2014 and 2013.

(b) Measurement Focus and Basis of Accounting

The Corporation has prepared its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Cash and Cash Equivalents

The Corporation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(2) Summary of Significant Accounting Policies, Continued

(d) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America require the Corporation's management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(e) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(f) Tax Status

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Corporation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Corporation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Corporation has taken no uncertain tax positions that require adjustment to its financial statements. U.S. Forms 990 filed by the Corporation are subject to examination by taxing authorities.

(3) Transactions with the County of Saratoga

The Corporation uses office space and telephone services from the County, and shares overhead and operating services and expenses with the County (including employees, consultants and agents).

(4) Lease/Leaseback

The Corporation leases the land, buildings and equipment of the Maplewood Manor Health Care Center from the County. The County leases back the land, buildings and equipment and will continue to operate the health care center until the sale of the facility is finalized. Rent income is received from the Maplewood Manor Health Care Center as required to meet the operating expenses of the Corporation. During 2014 and 2013, the Corporation received $73,785 and $79,283, respectively, in rent to cover its operating expenses.

(5) Sale of the Maplewood Manor Health Care Center

During 2013, the Corporation entered into a purchase and sale agreement with a purchaser for the Maplewood Manor Health Care Center. The terms of the sale call for a purchase price of $14,100,000, payable with a 15% non-refundable escrow deposit of $2,115,000 and the balance at the final closing.

The purchaser has deposited $1,965,000 and $150,000 as non-refundable payments. The $1,965,000 is in an escrow account established in January 2014. A bid deposit in the amount of $150,000 was received by the Corporation from the purchase and was subtracted from the required escrow deposit.

In December 2014, the purchase and sale contract was amended to provide a post-closing payment to the purchaser of $4,000,000, of which $2,500,000 would be escrowed to provide for periodic funding for necessary facility expenditures, and $1,500,000 to the purchaser for extraordinary operational costs associated with the transfer of operations, which has occurred as of February 1, 2015.

On January 30, 2015, the second amendment to the purchase and sale agreement was initiated, which extended the closing date on the transfer of real property no later than December 31, 2018, with the provision that if the closing did not occur prior to December 31, 2015, there would be increases to the acquisition price, ratably monthly, of $320,000 for the year ended December 31, 2016, $320,000 for the year ended December 31, 2017 and $480,000 for the year ended December 31, 2018.

Additionally, the parties entered into an interim lease, in which the County of Saratoga will convey the title of facility assets to the Corporation, which will lease the facility assets to the purchaser effective February 1, 2015, with base rent of $1 per year, through December 31, 2018. The purchaser will be required to pay all expenses incurred in connection with the operation, maintenance, servicing and repair of the facility.

TOSKI & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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

The Board of Directors
Maplewood Manor Local Development Corporation:

We have audited, in accordance with the 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, the financial statements of Maplewood Manor Local Development Corporation (the Corporation), a component unit of the County of Saratoga, New York, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated March 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Toski & Co., CPAs, P.C.

Williamsville, New York
March 4, 2015