



STATE OF NEW YORK
Authorities Budget Office

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October 1, 2013

Mr. Phil Farbaniec
President
Bolton Local Development Corporation
4949 Lakeshore Drive
P.O. Box 698
Bolton Landing NY 12814

Dear Mr. Farbaniec and Directors of the Bolton Local Development Corporation:

The **Bolton Local Development Corporation** failed to file an Audit Report for the fiscal year ending December 31, 2012, a Budget Report for the fiscal year ending December 31, 2013 and has never filed an Annual Report as required by Public Authorities Law. As a result, the Bolton Local Development Corporation was included on published lists of state and local authorities that are out of compliance with state law. These lists were released by the Authorities Budget Office (ABO) in January 2010, July 2010, January 2011, July 2011, January 2012, July 2012, January 2013, and July 2013.

On August 10, 2012, the ABO sent a letter compelling the board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. In September 2012 the corporation replied "we assure that the organization fully intends to comply." On March 27, 2013 the ABO sent you an additional warning regarding the corporation's failure to comply.

As of October 1, 2013 the Bolton Local Development Corporation remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. In addition, our records indicate that the board has failed to meet its statutory obligation to participate in mandatory training that focuses on the governance, accountability and ethical responsibilities of directors. Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law, the ABO is sending this official letter of censure to the board of directors of the Bolton Local Development Corporation.

As a public authority, the Bolton Local Development Corporation is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of the board's collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your legal obligations is unacceptable. This behavior demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this censure letter may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Bolton Local Development Corporation into compliance, the ABO may take additional steps, including initiating legal action, to access the records, books, and financial documents of the authority.

Sincerely,

David Kidera
Director

cc: Joel Jacko, Vice President
A.G. Gabriels, Secretary/Treasurer
Scott Andersen, Director
Jason Saris, Director
Art Baker, Director
Ron Conover, Director

Assemblymember Dan Stec
Senator Betty Little