



March 9, 2010

Chairman and Agency Board
Town of Colonie Industrial Development Agency
347 Old Niskayuna Road
Latham, New York 12110

Dear Chairman and Members of the Board:

We are pleased to present this report related to our audit of the financial statements of the Town of Colonie Industrial Development Agency (Agency) for the year ended December 31, 2009. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Agency's financial reporting process.

This report is intended solely for the information and use of the Board members and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Agency.

Very truly yours,

BOLLAM, SHEEDY, TORANI & CO. LLP

William C. Freitag, Partner

WCF/dmc

**TOWN OF COLONIE
INDUSTRIAL DEVELOPMENT AGENCY**

**COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE
Year Ended December 31, 2009**

The American Institute of Certified Public Accountants issued Statement on Auditing Standards titled, *The Auditor's Communication to Those Charged With Governance*, which requires that we communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Auditor's Responsibility Under Professional Standards

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated December 22, 2009.

Accounting Practices

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Agency. The Agency did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Alternative Treatments Discussed with Management

We did not discuss with management any alternative treatments within accounting principles generally accepted in the United States of America for accounting policies and practices related to material items during the current audit period.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates is in the attached Exhibit A, Summary of Accounting Estimates.

Financial Statement Disclosures

In our meetings with you, we discussed the following item as it relates to the neutrality, consistency, and clarity of the disclosures in the financial statements:

- Note 1 to the Agency's December 31, 2009, financial statements discusses the significant accounting policies used by the Agency.

**TOWN OF COLONIE
INDUSTRIAL DEVELOPMENT AGENCY**

**COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE
Year Ended December 31, 2009**

Audit Adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Unposted Adjustments

There were no unposted adjustments noted during our audit of the financial statements.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management during the audit.

Certain Written Communications Between Management and Our Firm

Copies of certain written communications between our Firm and the management of the Agency are attached as Exhibit B.

Significant Deficiencies and Material Weaknesses

Our consideration of internal control over financial reporting was for the limited purpose of expressing an opinion on the financial statements, and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal controls over financial reporting that we consider material weaknesses.

We will be pleased to respond to any questions you have about these matters. We appreciate the opportunity to be of continued service to you.

**TOWN OF COLONIE
INDUSTRIAL DEVELOPMENT AGENCY**

**COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE
Year Ended December 31, 2009**

This letter is intended solely for the information and use of the Board members and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BOLLAM, SHEEDY, TORANI & CO. LLP

A handwritten signature in black ink, appearing to read 'William C. Freitag', with a long horizontal flourish extending to the right.

William C. Freitag, Partner

WCF/dmc

**TOWN OF COLONIE
INDUSTRIAL DEVELOPMENT AGENCY**

**SUMMARY OF ACCOUNTING ESTIMATES
Year Ended December 31, 2009**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Agency’s December 31, 2009, financial statements:

Area	Accounting Policy	Estimation Process
Allowance for uncollectible receivables	Allowance is based on a review of outstanding amounts on a frequent basis.	Management determines the allowance for uncollectible revenues by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management deemed loans receivable fully collectible at December 31, 2009 and 2008.
Depreciation	Depreciation is computed based on asset groups, using the straight-line method.	The estimated lives used in determining depreciation are based on industry standards and the historical experience of the Agency.

**TOWN OF COLONIE
INDUSTRIAL DEVELOPMENT AGENCY**

**CERTAIN WRITTEN COMMUNICATIONS BETWEEN
MANAGEMENT AND OUR FIRM
Year Ended December 31, 2009**

Representation Letter

**TOWN OF COLONIE, NEW YORK
INDUSTRIAL DEVELOPMENT AGENCY
347 OLD NISKAYUNA ROAD
LATHAM, NEW YORK 12110**

March 9, 2010

Bollam, Sheedy, Torani & Co. LLP
26 Computer Drive West
Albany, New York 12205

In connection with your audits of the financial statements of the Town of Colonie, New York Industrial Development Agency (Agency) as of and for the years ended December 31, 2009 and 2008, we confirm, that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. We acknowledge that we have provided you the supplemental information attached to the financial statements, which agrees to our records. We understand that the supplemental information is not audited and is not a required part of the basic financial statements, and such information has been subjected to the auditing procedures applied in relation to the basic financial statements taken as a whole.

We confirm to the best of our knowledge and belief, as of the date of your auditor's report, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. The Agency's accounting principles, and the practices and methods followed in applying them, are as disclosed in the financial statements, and there have been no changes during the years ended December 31, 2009 and 2008 in the Agency's accounting principles and practices.
2. We are a component unit of the Town of Colonie, New York as this term is defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.
3. We have made available to you:
 - a. All financial records and related data of all funds and account groups, including those of all special programs, projects, activities, etc., in existence at any time during the periods covered by your audits.
 - b. All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared.
4. There has been no:
 - a. Fraud involving management or employees who have significant roles in internal control.
 - b. Fraud involving other employees that could have a material effect on the financial statements.

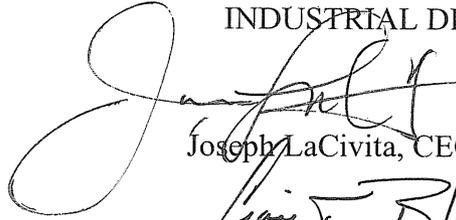
- c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
5. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 6. The following have been properly reflected and/or disclosed in the financial statements:
 - a. Related party transactions, including accounts and advances receivable and payable, sale and purchase transactions, long-term loans, leasing arrangements, and guarantees, all of which have been recorded in accordance with the economic substance of the transactions.
 - b. Arrangements involving restrictions on cash balances.
 7. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made to reduce receivables to their estimated net collectible amounts.
 8. There are no:
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a “potentially responsible party” by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 10.
 - c. Guarantees, whether written and/or oral, under which the Agency is contingently liable.
 - d. Agreements to repurchase assets previously sold.
 - e. Security agreements in effect under the Uniform Commercial Code.
 - f. Liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - g. Contractual obligations for plant construction or purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - h. Liabilities which are subordinated in any way to any other actual or possible liabilities.
 - i. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - j. Debt issue provisions.

- k. Leases or material amounts of rental obligations under long-term leases.
 - l. Authorized but unissued bonds and/or notes.
 - m. Risk financing activities.
 - n. Reserves or designations of fund equities.
 - o. Uncertain tax positions under the two-step approach for recognition and measurement.
 - p. Obsolete, damaged, or excess inventories.
 - q. Investments, intangibles, and other assets which have permanently declined in value.
 - r. Risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through December 31, 2009 and 2008, and/or for expected retroactive insurance premium adjustments applicable to periods through December 31, 2009 and 2008.
 - s. Pension obligations, post-retirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through December 31, 2009 and 2008.
 - t. Material losses to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - u. Material losses to be sustained as a result of purchase commitments.
 - v. Environmental clean up obligations.
9. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with GASB Statement No. 10.
10. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private (or to special assessment bond holders) that is not disclosed in the financial statements.
11. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
12. We have satisfactory title to all owned assets.
13. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining if we are subject to the requirements of the Single Audit Act and OMB Circular A-133. We have not received, expended, or otherwise been the beneficiary of any federal awards over \$500,000 during the periods of these audits.
14. In preparing the financial statements and footnotes, the Agency considered subsequent events through March 9, 2010, the date the financial statements were issued.

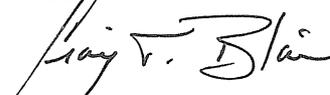
15. We are responsible for establishing and maintaining effective internal control over financial reporting and compliance. We are not aware of any material internal control weaknesses or reportable conditions that should be reported.
16. We have responded fully to all inquiries made to us by you during your audits.
17. During the course of your audits, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
18. The undersigned have overseen the services provided by BST Advisors, LLC and have established and maintained internal controls, including the monitoring of ongoing activities related to the drafting of financial statements.

Very truly yours,

TOWN OF COLONIE, NEW YORK
INDUSTRIAL DEVELOPMENT AGENCY



Joseph LaCivita, CEO



Craig T. Blair, Assistant Treasurer



P. Christopher Kelsey, Deputy Comptroller