



February 23, 2015

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, 2014. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the 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,

SaxBST LLP

A handwritten signature in black ink, which appears to read "William C. Freitag". The signature is written in a cursive style with a long horizontal stroke at the end.

William C. Freitag, Partner

WCF/dmc

Town of Colonie Industrial Development Agency

Communication With Those Charged With Governance
Year Ended December 31, 2014

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities and the Planned Scope and Timing of the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated January 9, 2015.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

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 or change any accounting policies during fiscal 2014.

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.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Exhibit A, Summary of Significant Accounting Estimates.

Audit Adjustments

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

Uncorrected Misstatements

There were no uncorrected misstatements noted during our audit of the financial statements.

Town of Colonie Industrial Development Agency

Communication With Those Charged With Governance
Year Ended December 31, 2014

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

We discussed with management the ongoing assistance from the New York State Authorities Budget Office (ABO) with regard to the Agency's reporting requirements. Management has asserted that the effects of this assistance do not have a significant impact on the Agency's financial statements. Based on the information we have reviewed as of the date of this report, we agree with management's assertion. No other significant issues arising from the audit were discussed with or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

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

Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting

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 to be material weaknesses.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Agency, including the representation letter provided to us by management, are attached as Exhibit B.

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 With Those Charged With Governance
Year Ended December 31, 2014

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.

SaxBST LLP

Albany, New York
February 23, 2015



**Town of Colonie
Industrial Development Agency**

Summary of Significant Accounting Estimates
Year Ended December 31, 2014

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 determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Agency’s December 31, 2014 financial statements:

<u>Estimate</u>	<u>Accounting Policy</u>	<u>Estimation Process</u>
Allowance for Uncollectible Receivables	Allowance is based on review of outstanding amounts on a frequent basis.	Management determines the allowance for uncollectible revenues by identifying troubled accounts, using historical experience applied to an aging of accounts and information provided by the administrator of the Loan Fund.
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.

We have evaluated management’s significant accounting estimates noted above as part of our audit, and concluded that management’s estimates and the estimation process appear reasonable in the context of the financial statements taken as a whole.



**Town of Colonie
Industrial Development Agency**

Significant Written Communications
Between Management and our Firm
Year Ended December 31, 2014

Representation Letter





TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY

Public Operations Center
347 Old Niskayuna Road
Latham, New York 12110

Phone (518)783-2741 Fax (518)783-2888
www.colonieida.org

February 23, 2015

SaxBST LLP
26 Computer Drive West
Albany, New York 12205

This representation letter is provided in connection with your audits of the financial statements of the Town of Colonie Industrial Development Agency (Agency), which comprise the statements of net position as of December 31, 2014 and 2013, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 9, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and 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.
5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no knowledge of any uncorrected misstatements in the financial statements.

9. We have identified for you all organizations that are a part of this reporting entity or with which we have a relationship, as these organizations are defined in Section 2100 of the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, that are:
 - a. Component units.
 - b. Other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
 - c. Jointly governed organizations in which we participated.

Information Provided

10. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audits.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the members and committees of members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of allegations of fraud or suspected fraud, affecting the Agency's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements received in communications from employees, former employees, analysts, regulators, or others.
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
16. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.

17. We have disclosed to you the identity of the Agency's related parties and all related-party relationships and transactions of which we are aware.
18. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Agency's ability to record, process, summarize, and report financial data.
19. We have informed you of all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We know of no violations of state or federal statutory or regulatory provisions, grants or other contractual provisions, or of provisions of local ordinances that would have a significant impact on the Agency's financial statements.
21. 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.
22. Net positions and fund balances are properly classified and, when applicable, approved.
23. Capital assets are properly capitalized, reported, and depreciated.
24. 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 that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of any federal awards over \$500,000 during the periods of these audits.

Government Auditing Standards

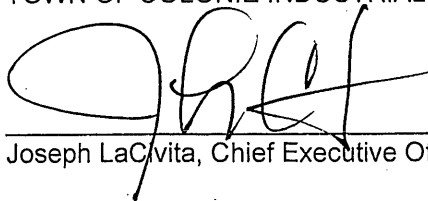
25. We are responsible for compliance with laws and regulations applicable to the Agency, including the requirement of adopting, approving, and amending budgets.
26. We have identified and disclosed to you:
 - a. All laws and regulations that have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 - b. Violations and possible violations of laws, regulations, and provisions of contracts and other agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.
27. We have taken timely and appropriate action to evaluate and address fraud, illegal acts, violations of provisions of contracts or other agreements, or abuse that has been reported.
28. We have implemented a process to track the status of audit findings and recommendations.
29. We have identified for you previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective action taken to address significant findings and recommendations.
30. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report, if any.

Supplementary Information

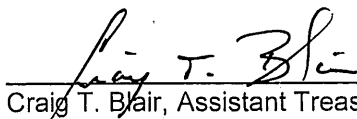
31. With respect to the supplementary information presented in relation to the financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
32. With respect to Management's Discussion and Analysis presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
33. During the course of your audits, you may have accumulated records containing data that 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.

Very truly yours,

TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY



Joseph LaCivita, Chief Executive Officer



Craig T. Blair, Assistant Treasurer



P. Christopher Kelsey, Accounting Supervisor