

March 24, 2014

Chairman and Corporation Board  
Town of Colonie Local Development Corporation  
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 Local Development Corporation (Corporation) for the year ended December 31, 2013. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Corporation'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 Corporation.

Very truly yours,

SaxBST LLP



William C. Freitag, Partner

WCF/dmc

## Town of Colonie Local Development Corporation

Communication to Those Charged With Governance  
Year Ended December 31, 2013

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.

### **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 January 21, 2014.

### **Accounting 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 Corporation. Management has elected to early implement the following accounting standards as of January 1, 2013:

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement established accounting and financial reporting standards related to government combinations and disposals of government operations. Government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement provides specific accounting and financial reporting guidance for combinations in this environment and improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement provides financial reporting and disclosure guidance to those governments that extend and receive nonexchange financial guarantees, thereby enhancing comparability of financial statements among governments.

# Town of Colonie Local Development Corporation

Communication to Those Charged With Governance  
Year Ended December 31, 2013

## **Adoption of, or Change in, Accounting Policies - Continued**

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability previously this was required not to be reported. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

There was no significant impact to the Corporation's financial statements as a result of adopting the aforementioned accounting standards.

## **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**

There are no sensitive accounting estimates in the Corporation's December 31, 2013, financial statements.

## **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.

## **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.

**Town of Colonie  
Local Development Corporation**

Communication to Those Charged With Governance  
Year Ended December 31, 2013

**Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed or were 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.

**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 to be material weaknesses.

**Significant Written Communications Between Management and Our Firm**

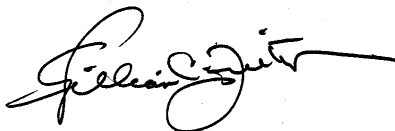
Copies of significant written communications between our firm and the management of the Corporation, including the representation letter provided by management, are attached as Exhibit A.

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.

This letter 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.

Very truly yours,

SaxBST LLP



William C. Freitag, Partner

WCF/dmc



**Town of Colonie  
Local Development Corporation**

Significant Written Communications Between  
Management and Our Firm  
Year Ended December 31, 2013

Representation Letter





# TOWN OF COLONIE LOCAL DEVELOPMENT CORPORATION

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

Phone (518)783-2741 Fax (518)783-2888

March 12, 2014

SaxBST LLP  
26 Computer Drive West  
Albany, New York 12205

This representation letter is provided in connection with your audit of the financial statements of the Town of Colonie Local Development Corporation (Corporation) which comprise the statement of net position as of December 31, 2013, and the related statements revenues, expenses, and changes in net position and cash flows for the year 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 (U.S. GAAP).

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

#### *Financial Statements*

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 21, 2014, 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.

*Information Provided*

9. 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 audit.
  - c. Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of members and committees of members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
10. All transactions have been recorded in the accounting records and are reflected in the financial statements.
11. 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.
12. We have no knowledge of allegations of fraud or suspected fraud, affecting the Corporation'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.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements received in communications from employees, former employees, regulators, or others.
14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
15. 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.
16. We have disclosed to you the identity of the Corporation's related parties and all related-party relationships and transactions of which we are aware, including those entities that were evaluated for inclusion as part of this reporting entity, as these organizations are defined in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards.
17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Corporation's ability to record, process, summarize, and report financial data.
18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

*Supplementary Information*

19. 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.
20. 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 U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
21. During the course of your audit, 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.

*Government Auditing Standards*

22. We are responsible for compliance with laws and regulations applicable to the Corporation, including the requirement of adopting, approving, and amending budgets.
23. 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 or other financial data significant to audit objectives.
  - 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.
24. 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.
25. We have implemented a process to track the status of audit findings and recommendations.
26. 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 correction action taken to address significant findings and recommendations.
27. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report.



28. 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 period of this audit.

Very truly yours,

TOWN OF COLONIE LOCAL DEVELOPMENT CORPORATION

  
\_\_\_\_\_  
Joseph LaCivita, Chief Executive Officer

3/12/14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Craig T. Blair, Assistant Treasurer

3/12/14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
P. Christopher Kelsey, Accounting Supervisor

3/12/14  
\_\_\_\_\_  
Date