

Town of Colonie Industrial Development Agency
Annual Investment Report
FY2019

As required by Section 2925(6) of the Public Authorities Law of the State of New York, following is the annual investment report of the Town of Colonie Industrial Development Agency (the “Agency”).

Attached hereto as Schedule 1 and made a part hereof is the Agency’s Investment Policy (the “Policy”) reviewed and approved by the Agency on March 30, 2020.

The Policy has not been amended since the Agency last reviewed and adopted the Policy on March 18, 2019.

The Policy is intended to comply with the requirements of General Municipal Law Sections 10 and 11 and with Public Authorities Law Article 9, Title 7, and to provide safeguards for the Agency’s investments and deposits.

Attached hereto as Schedule 2 and made a part hereof are the results of the annual independent audit.

The Agency generated \$1,913.13 of interest income for the period January 1, 2019 through December 31, 2019. See Schedule 3 attached hereto and made a part hereof.

The Agency paid no fees, commissions or other charges for investment associated services during the period January 1, 2019 through December 31, 2019.

Schedule 1
Investment Policy

See attached

TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY

INVESTMENT AND DEPOSIT POLICY

I. STATEMENT OF PURPOSE

The Town of Colonie Industrial Development Agency (the “Agency”) has adopted this Investment and Deposit Policy (the “Policy”) in accordance with Article 9, Title 7 of the New York State Public Authorities Law (“PAL”) and the Public Authorities Reform Act of 2009 (“PARA”). This Policy shall detail the Agency’s instructions regarding the investment and deposit of its funds, all of which shall be consistent with and in compliance with the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 232 of the Laws of 1977 of New York, as amended, constituting Section 911-d of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), and any other applicable law regarding the investment and deposit of Agency funds.

II. INTRODUCTION

A. Scope

This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.

B. Objectives

The primary objectives of the Agency’s investment activities are, in priority order:

1. to conform with all applicable federal, state and other legal requirements;
2. to adequately safeguard principal;
3. to provide sufficient liquidity to meet all operating requirements; and
4. to obtain a reasonable rate of return.

C. Prudence

All participants in the investment process and all participants responsible for depositing the Agency’s funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Agency to operate effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Agency's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Agency's funds or which could impair their ability to make impartial investment decisions.

D. Diversification

It is the policy of the Agency to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

E. Internal Controls

1. All money's collected by the Agency shall be immediately deposited in such depositories as designated by the Agency for the receipt of such funds.
2. The Agency shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Agency for investment and deposit purposes.
3. The Agency is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the Board's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

F. Designation of Depositories

The Agency shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to said law. Such currently designated banks and trust companies are set forth in Appendix A.

III. INVESTMENT POLICY

A. Permitted Investments

(i) In accordance with Section 11 of the General Municipal Law, the Agency is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

1. Special time deposit accounts;
2. Certificates of deposit; or
3. Deposit Placement Program as described in Section 10 of the General Municipal Law. A depository bank or trust company may arrange for the redeposit of the Agency's funds into deposit accounts in one or more

eligible banking institutions provided that such Program satisfies all of the following requirements:

- (i) the depository bank or trust company serves as custodian for the Agency with respect to any funds that are redeposited;
- (ii) Agency funds held by the depository bank or trust company in excess of the amount insured by the Federal Deposit Insurance Corporation (the “FDIC”), pending redeposit, are secured in accordance with the General Municipal Law;
- (iii) the full amount of Agency funds redeposited by the depository bank or trust company into deposit accounts in other banking institutions as defined in section nine-r of the Banking Law (each an “Eligible Banking Institution”) (plus accrued interest, if any) are insured by the FDIC; and
- (iv) at the same time that the money of the Agency is redeposited, the depository bank or trust company receives deposits from customers of other Eligible Banking Institutions pursuant to the Deposit Placement Program in an amount that is at least equal to the amount of the Agency’s funds redeposited.

provided, however, that the above types of investments are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in Section IV below for deposits of public funds.

(ii) As authorized by Section 11 of General Municipal Law, the Agency may invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following additional types of investments:

1. Obligations of the United States of America;
2. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; and
3. Obligations of the State of New York.

All such investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable, at the option of the Agency, within two years of the date of purchase. Obligations that are purchased pursuant to a repurchase agreement shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the purchased obligations are scheduled to be repurchased by the seller thereof. Any obligation that provides

for the adjustment of its interest rate on set dates shall be deemed to be payable or redeemable for purposes of this paragraph on the date on which the principal amount can be recovered through demand by the holder thereof.

Such obligations, unless registered or inscribed in the name of the Agency, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Agency by the bank or trust company. All obligations held in the custody of a bank or trust company pursuant to this paragraph shall be held by such bank or trust company pursuant to a written custodial agreement as described in Section IV(B) below.

B. Authorized Financial Institutions

The Agency shall not engage in any activity with any investment banker, broker, agent, dealer, investment advisor or agent unless and until the Agency has determined that such party is qualified to do so. In determining a party's qualifications, the Agency shall consider the quality and reliability of that party's services, that party's experience in providing such services, and the size and level of capitalization maintained by that party.

The Agency shall maintain a list of financial institutions approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution. Such listing shall be evaluated at least annually. All financial institutions with which the Agency conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Agency. Such currently approved financial institutions are set forth in Appendix B.

C. Investment Contracts

All investments must be made pursuant to a written contract between the Agency and the investment bank, broker, agent, dealer or advisor. If use of a written contract is not practical or not a regular business practice of the investment bank, broker, agent, dealer or advisor, the Agency may proceed with such party only if:

1. the Agency determines, by resolution, that the regular business practice does not encompass the use of a written contract; and
2. the Agency adopts procedures covering the investment transaction.

Any procedure so adopted must comply substantially with the provisions which would be required if the transaction were covered by a written contract as described in subsection (D) below. Those procedures shall thereafter become a part of this Policy.

D. Content of Investment Contracts

All investment contracts, written or otherwise, shall contain:

1. Provisions sufficient to secure the Agency's financial interest in each investment;
2. Provisions outlining the type and amount of collateral and insurance necessary to adequately secure the investment, as well as the uses, if any, of such collateral or insurance;
3. Provisions which establish a method for valuing the collateral, and procedures for monitoring the valuation of such collateral on a regular basis;
4. Provisions for the monitoring, control, deposit and retention of investments and collateral. In the case of a repurchase agreement, these provisions shall include a requirement that the obligations purchased be physically delivered for retention to the Agency or its agent (which shall not be an agent of the party with whom the Agency enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case the Agency shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.

All contracts shall comply with the provisions of this Policy.

IV. DEPOSIT POLICY

A. Collateralization of Deposits

In accordance with the provisions of Section 10 of the General Municipal Law, all deposits of the Agency, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By pledge of "eligible securities" with an aggregate "market value", as provided by Section 10 of the General Municipal Law, equal to the aggregate amount of deposits. A schedule of "eligible securities" is set forth in Appendix C attached hereto.
2. By an eligible irrevocable letter of credit issued by a qualified bank (other than the bank with which the money is being deposited) in favor of the Agency for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is a bank (1) whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or (2) that is in compliance with applicable federal minimum risk-based capital requirements.
3. By an eligible surety bond payable to the Agency for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical

rating organizations. The terms and conditions of any eligible surety bond must be approved by the members of the Agency.

B. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure the Agency's deposits, together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events of default which will enable the Agency to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Agency, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Agency or its custodial bank. Such agreement shall also include all other provisions deemed necessary and sufficient to secure in a satisfactory manner the Agency's interest in the collateral.

The custodial agreement shall provide that securities will be held by the custodial bank or trust company as agent of, and custodian for, the Agency, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, under any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement shall also describe how the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of the securities and for the substitution of securities when a change in the rating of a security causes ineligibility. Such agreement shall also include all other provisions deemed necessary and sufficient to secure in a satisfactory manner the Agency's interest in the collateral.

VI. ANNUAL AUDIT

An independent certified public accountant shall audit all investments held by the Agency on an annual basis. The report prepared pursuant to the annual audit shall be available to the Agency and shall be used in reviewing and approving this Policy.

VII. REPORTING REQUIREMENTS

A. Quarterly Reports

At the end of each quarter, the Agency members shall be provided with a report on all investment activity during that quarter. This report shall contain:

1. A list of any new investments and deposits;
2. An inventory of all existing investments and deposits; and
3. A description of the selection of investment bankers, brokers, agents, dealers, or auditors.

Any additions or deletions must be specifically indicated, with an explanation for the addition or deletion.

B. Annual Investment Report

An annual investment report shall be prepared and transmitted to the appropriate oversight agencies.

The report shall include:

1. this policy, including any changes made since the last submission;
2. an explanation of this policy and any amendments;
3. the results of the annual independent audit;
4. the investment income record of the Agency; and
5. a list of all total fees, commission and other charges paid to each investment banker, broker, agent, dealer, advisor, bank and trust company, since the last submission.

The report shall be submitted to

1. The State Department of Audit and Control; and
2. The Chief Executive Officer and Chief Fiscal Officer of the Town of Colonie.

Copies of the report shall be made available to the public, upon reasonable request.

Adopted: February 1, 2016

APPENDIX A

AUTHORIZED BANKS AND TRUST COMPANIES

The following banks and trust companies are authorized for the deposit of Agency funds up to the following maximum amounts:

JP Morgan Chase	\$5,000,000.00
Citizens Bank	\$5,000,000.00
Bank of America	\$5,000,000.00
Key Bank	\$5,000,000.00
M&T Bank	\$5,000,000.00
Capital Bank and Trust	\$5,000,000.00
TD Banknorth	\$5,000,000.00
First Niagara	\$5,000,000.00
NBT Bank	\$5,000,000.00

APPENDIX B

AUTHORIZED FINANCIAL INSTITUTIONS FOR INVESTMENT

The following financial institutions are approved for investment purposes up to the following maximum amounts:

None at this time.

APPENDIX C

SCHEDULE OF ELIGIBLE SECURITIES

(1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.

(2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.

(3) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.

(4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

(5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

(6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

(7) Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.

(8) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

(9) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.

(10) Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested), rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.

(11) Zero-coupon obligations of the United States government marketed as "Treasury STRIPS".

Schedule 2
Annual Independent Audit

See attached

**Town of Colonie
Industrial Development Agency**

Financial Report

December 31, 2019 and 2018

**Town of Colonie
Industrial Development Agency**

Financial Report

December 31, 2019 and 2018

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Independent Auditor's Report

Chairman and Agency Board
Town of Colonie Industrial Development Agency
Latham, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Town of Colonie Industrial Development Agency (Agency) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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 entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The schedule of indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of indebtedness is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of indebtedness is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2020, on our consideration of the Agency'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 solely 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 the effectiveness of the Agency's 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 Agency's internal control over financial reporting and compliance.

BST & CO. CPAs, LLP

Albany, New York
March 30, 2020



Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2019 and 2018

The following Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the Town of Colonie Industrial Development Agency (Agency) for the fiscal years ended December 31, 2019 and 2018. The MD&A is intended to serve as an introduction to the Agency's basic financial statements. The MD&A is designed to assist the reader in focusing on significant matters and provide an overview of the Agency's financial activities. The following presentation is summarized. In order to gain a thorough understanding of the Agency's financial condition, the following financial statements and notes should be reviewed in their entirety.

Overview of Financial Statements

The Agency's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) promulgated by the Governmental Accounting Standards Board (GASB). The Agency is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and are depreciated over their useful lives. See the notes to the financial statements for a summary of the Agency's significant accounting policies.

The *Statements of Net Position* present information on the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Agency's financial position.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing how the Agency's net position changed during the most recent years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future periods.

The *Statements of Cash Flows* relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Agency's cash and cash equivalent accounts are recorded in these statements. A reconciliation is provided at the bottom of the statements of cash flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

In addition to the financial statements and accompanying notes, this report also presents the *Supplemental Schedule of Indebtedness*, which is required under New York State law, not by U.S. GAAP.

Financial Highlights

- The Agency's net position increased \$9,090 from December 31, 2018 to 2019, as compared to an increase of \$129,269 from December 31, 2017 to 2018. These increases are the direct result of the timing of projects applying for Agency assistance during 2017. Four projects applied to the Agency during 2017, one closed in 2017 and two closed in 2018, and the fourth project closed in early 2019. Three other projects applied during 2019, and two during 2018, that have subsequently decided to rescind the applications.
- The fees of the two projects that closed in 2018 were related to construction of an office building for Starlite Associates, LLC (\$179,400) and a sports complex for Afrim Realty (\$50,000). In 2019 the \$118,000 in fees was generated by the AYCO project related to the fit-up of the Starlite office building project from 2018.

Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2019 and 2018

Financial Highlights - Continued

- The Agency was awarded a \$250,000 grant from the New York State Department of State in 2015, and executed the contract in 2018, for the Lincoln Avenue Brownfield Opportunity Area (BOA) study. The Lincoln Avenue BOA study encompasses about a 350-acre area, which holds three designated brownfields, and will examine the potential for redevelopment of these sites in conjunction with identifying future uses of the area abutting the pre-existing residential area within the BOA study area. Through December 31, 2019, the Agency has been advanced \$129,108 under the terms of the grant and has incurred BOA study related costs of \$245,072. As a result of the timing of payments, a grant receivable for \$115,964, and an accrued expense for \$114,075, have been recognized at December 31, 2019.
- During 2019, Agency expenses, exclusive of the BOA study, remained stable at 2018 levels, which approximated \$105,000. In 2019 Legal fees increased by about \$9,000 which was offset by the reduction of costs for the economic study commissioned by the Agency in 2018.
- The Agency, under an agreement with the Albany-Colonie Regional Chamber of Commerce, continued to maintain the Town of Colonie Small Business Entrepreneurial Loan (SBEL) Program through October 2019. In October, the Agency elected to accept the Chamber's offer to buy out the SBEL Program outstanding loans at net realizable value and closed the program.

Financial Analysis of the Agency

The table below presents condensed financial information derived from the Agency's financial statements as of December 31, 2019, 2018, and 2017.

Condensed Statements of Net Position

	2019	2018	2017	Increase (Decrease) 2019-2018	Increase (Decrease) 2018-2017
ASSETS					
Current assets	\$ 1,506,074	\$ 1,491,036	\$ 1,293,505	\$ 15,038	\$ 197,531
Noncurrent assets	27,702	34,926	43,211	(7,224)	(8,285)
Total assets	<u>\$ 1,533,776</u>	<u>\$ 1,525,962</u>	<u>\$ 1,336,716</u>	<u>\$ 7,814</u>	<u>\$ 189,246</u>
LIABILITIES	<u>\$ 114,075</u>	<u>\$ 115,351</u>	<u>\$ 55,374</u>	<u>\$ (1,276)</u>	<u>\$ 59,977</u>
NET POSITION					
Investment in capital assets	-	-	28,536	-	(28,536)
Restricted	-	193,632	191,274	(193,632)	2,358
Unrestricted	1,419,701	1,216,979	1,061,532	202,722	155,447
Total net position	<u>1,419,701</u>	<u>1,410,611</u>	<u>1,281,342</u>	<u>9,090</u>	<u>129,269</u>
Total liabilities and net position	<u>\$ 1,533,776</u>	<u>\$ 1,525,962</u>	<u>\$ 1,336,716</u>	<u>\$ 7,814</u>	<u>\$ 189,246</u>

Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2019 and 2018

Financial Analysis of the Agency - Continued

The overall increase in net position from 2017 to 2019 is the result of the increase project activity that generates administrative fees during late 2017 through early 2019. Administrative fees are used to support the Agency's operating costs and mission of supporting economic development within the Town of Colonie.

Current assets increased by about \$15,000 at December 31, 2019, compared to an increase of \$197,531 at December 31, 2018, while non-current assets decreased \$7,227 at December 31, 2019, compared to a decrease of \$8,285 at December 31, 2018.

The 2019 and 2018 increase in current assets results from the net operating income generated by the Agency and the grant receivable related to the continuation of the BOA project. Additionally, current assets increased in 2019 with the close out of the SBEL program, which was also the reason for the decline in 2019 noncurrent assets.

Accounts and accrued payables increased \$59,977 at December 31, 2018, and remained relatively stable in 2019, due to the timing of the payments of certain operating and BOA study costs incurred for 2018 and 2019.

The table below presents condensed financial information derived from the financial statements of the Agency for the years ended December 31, 2019, 2018, and 2017.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2019	2018	2017	Increase (Decrease) 2019-2018	Increase (Decrease) 2018-2017
REVENUES					
Administrative fees	\$ 118,000	\$ 229,400	\$ 12,962	\$ (111,400)	\$ 216,438
Application income	750	500	1,000	250	(500)
New York State Grant	58,563	60,027	126,481	(1,464)	(66,454)
Recovery of bad debts	-	1,395	2,564	(1,395)	(1,169)
Other	-	-	13,695	-	(13,695)
Interest income	2,987	3,229	3,513	(242)	(284)
	<u>180,300</u>	<u>294,551</u>	<u>160,215</u>	<u>(114,251)</u>	<u>134,336</u>
EXPENSES					
Administrative expenses	16,575	16,449	16,424	126	25
Bad debts	1,395	-	-	1,395	-
Depreciation	-	834	833	(834)	1
Administrative and management fees	50,537	50,638	50,896	(101)	(258)
Professional fees	37,323	37,334	31,336	(11)	5,998
Public benefit projects	65,380	60,027	126,481	5,353	(66,454)
Total expenses	<u>171,210</u>	<u>165,282</u>	<u>225,970</u>	<u>5,928</u>	<u>(60,688)</u>
 Change in net position	 <u>\$ 9,090</u>	 <u>\$ 129,269</u>	 <u>\$ (65,755)</u>	 <u>\$ (120,179)</u>	 <u>\$ 195,024</u>

Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2019 and 2018

Activities for the Years Ended 2019 to 2017

The Agency's annual fees for services are tied to the size and timing of economic activity projects. The Agency was presented with four projects in 2017, one project closed before the end of 2017; two projects closed in 2018; and one closed in early 2019. One other project applied during 2018, and three during 2019, but all the applicants subsequently rescinded their applications.

The table below presents a summary of the administrative fee revenue for the years ended December 31, 2019 to 2015.

	2019	2018	2017	2016	2015
Project					
Afrim Realty, LLC	\$ -	\$ 50,000	\$ -	\$ -	\$ -
The AYCO Company, LP	118,000	-	-	-	-
Colonie Senior Service Centers	-	-	-	77,862	-
One Mustang Drive II, LLC	-	-	12,962	-	-
Starlite Associates, LLC	-	179,400	-	-	-
Total	<u>\$ 118,000</u>	<u>\$ 229,400</u>	<u>\$ 12,962</u>	<u>\$ 77,862</u>	<u>\$ -</u>

Interest earnings decreased in 2019 by \$242 as compared to a decrease of \$284 in 2018. The decrease in interest income is principally due to less interest generated by the SBEL program through loan repayments in each year and the programs closing in October 2019.

Administrative expenses and depreciation expense remained relatively stable during 2019 and 2018 resulting in a decrease of \$708 and increase of \$26, respectively. Professional fees decreased \$11 in 2019 after an increase of \$5,998 in 2018. The 2019 increase was the result of higher legal fees, offset by the cost of an economic study commissioned by the Agency in 2018.

In 2015 the Agency was awarded a \$250,000 grant from the New York State Department of State, which was a formally executed contract in 2018, for the Lincoln Avenue Brownfield Opportunity Area (BOA) study. The Town's goal through the Agency is to redevelop the BOA's vacant and underutilized industrial sites. Costs associated with the study were \$65,380 and \$60,027 for the years ending December 31, 2019 and 2018, respectively.

Management and administrative fees are paid to the Town of Colonie and Albany-Colonie Chamber of Commerce, respectively, under service agreements and decreased by \$101 in 2019 and by \$258 in 2018.

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Town of Colonie Comptroller's Office, at Colonie Town Hall, 534 Loudon Road, Latham, New York 12110.

Town of Colonie Industrial Development Agency

Statements of Net Position

	December 31,	
	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,383,419	\$ 1,174,587
Accounts receivable	115,964	123,309
Prepaid expenses	6,691	6,732
Restricted assets		
Cash, restricted for revolving loan fund	-	178,929
Accrued interest	-	28
Loans receivable, current portion, net	-	7,451
Total current assets	<u>1,506,074</u>	<u>1,491,036</u>
NON-CURRENT ASSETS		
Restricted assets		
Loans receivable, net of current portion	-	7,224
Property held for sale	27,702	27,702
Total non-current assets	<u>27,702</u>	<u>34,926</u>
	<u>\$ 1,533,776</u>	<u>\$ 1,525,962</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 3,624
Accrued expenses	114,075	111,727
Total current liabilities	<u>114,075</u>	<u>115,351</u>
NET POSITION		
Restricted for revolving loan fund	-	193,632
Unrestricted	1,419,701	1,216,979
	<u>1,419,701</u>	<u>1,410,611</u>
	<u>\$ 1,533,776</u>	<u>\$ 1,525,962</u>

See accompanying Notes to Financial Statements.

Town of Colonie Industrial Development Agency

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2019	2018
OPERATING REVENUES		
Administrative fees	\$ 118,000	\$ 229,400
Application income	750	500
New York State Grant	58,563	60,027
Recovery of bad debt	-	1,395
	<u>177,313</u>	<u>291,322</u>
OPERATING EXPENSES		
Administrative and management fees		
Administrative fees	537	638
Management fees	50,000	50,000
Professional fees		
Legal fees	26,191	17,324
Other professional fees	8,500	17,278
Website maintenance	2,632	2,250
Administrative expenses		
Association dues	8,350	8,350
Land related costs	41	258
Conferences and travel	2,700	2,875
Insurance	4,942	4,949
Postage, office supplies, and other	217	17
Transcription fees	-	482
Subscriptions	325	-
Bad debt expense	1,395	-
Depreciation	-	834
Public benefit projects	65,380	60,027
	<u>171,210</u>	<u>165,282</u>
Operating gain	6,103	126,040
OTHER INCOME		
Interest income	2,987	3,229
	<u>2,987</u>	<u>3,229</u>
Change in net position	9,090	129,269
NET POSITION, <i>beginning of year</i>	<u>1,410,611</u>	<u>1,281,342</u>
NET POSITION, <i>end of year</i>	<u>\$ 1,419,701</u>	<u>\$ 1,410,611</u>

See accompanying Notes to Financial Statements.

Town of Colonie Industrial Development Agency

Statements of Cash Flows

	Years Ended December 31,	
	2019	2018
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Receipts from customers	\$ 118,750	\$ 229,900
Payments to vendors	(172,445)	(104,498)
Receipts from operating grants	67,303	(3,401)
	13,608	122,001
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income received	3,015	3,249
Payments received on revolving loan fund loans	13,280	10,404
	16,295	13,653
Net increase in cash and cash equivalents	29,903	135,654
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	1,353,516	1,217,862
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 1,383,419	\$ 1,353,516
RECONCILIATION OF OPERATING GAIN TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating gain	\$ 6,103	\$ 126,040
Adjustments to reconcile operating gain to net cash provided (used) by operating activities		
Bad debts	1,395	(1,395)
Depreciation	-	834
(Increase) decrease in		
Accounts receivable	7,345	(63,428)
Prepaid expenses	41	(27)
Increase (decrease) in		
Accounts payable	(3,624)	1,224
Accrued expenses	2,348	58,753
	\$ 13,608	\$ 122,001
Unrestricted cash and cash equivalents	\$ 1,383,419	\$ 1,174,587
Restricted cash and cash equivalents	-	178,929
Total cash and cash equivalents	\$ 1,383,419	\$ 1,353,516

See accompanying Notes to Financial Statements.

Town of Colonie

Industrial Development Agency

Notes to Financial Statements
December 31, 2019 and 2018

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization and Purpose

The Town of Colonie Industrial Development Agency (Agency) was created in 1977 by the Town of Colonie (Town) under the provisions of Chapter 232 of the 1977 Laws of New York State for the purpose of encouraging growth in the Town. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Town, is a separate entity and operates independently of the Town. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. Neither the Town, the Agency, nor any political subdivision thereof, is obligated in any manner for repayment of bonds issued by the Agency. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

b. Basis of Accounting and Financial Statement Presentation

The accounts of the Agency are maintained in a single proprietary fund on the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for government entities. The Governmental Accounting Standards Board (GASB) is the primary standard-setting body for establishing governmental accounting and financial reporting principles. With this measurement focus, all assets and liabilities associated with operations are included on the statement of net position.

Net position is presented in the following categories:

Investment in capital assets - Consists of capital assets, net of accumulated depreciation.

Restricted for revolving loan fund - Consists of loans receivable net of allowances for uncollectable balances, accrued interest earnings, and a cash account restricted for use by the Revolving Loan Fund (Note 5).

Unrestricted - Consists of all other net position that does not meet the definition of "invested in capital assets" or "restricted for revolving loan fund."

Revenues are recognized when earned, and expenses are recognized when incurred. Administrative fee revenue earned from economic activity projects is recognized upon close of the project. Administrative fee revenue earned from arranging industrial revenue bond and note transactions is recognized upon issuance of the bonds and notes. Grant revenue is recognized as related grant expenses are incurred. The Agency distinguishes operating revenues and expenses from nonoperating items. Operating revenues are determined based on the services provided by the Agency. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Town of Colonie

Industrial Development Agency

Notes to Financial Statements
December 31, 2019 and 2018

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Cash and Cash Equivalents

The Agency's cash and cash equivalents are defined as restricted and unrestricted short-term, highly liquid investments that mature within 90 days from the date of purchase.

e. Receivables

Small Business Entrepreneurial loans were carried at amortized amounts, based on paydown of principal. Management recorded an allowance on loans based on a review of the outstanding loan balances and its collection history. The allowance for uncollectible loans receivables was \$2,273 at December 31, 2018. The allowance was reviewed annually based on collection history of the loans and known facts and circumstances. The SBEL Program was closed during 2019 and all loans were paid in full (See Note 5).

The Agency was awarded a \$250,000 grant from the New York State Department of State in 2015 and executed the contract in 2016 for the Lincoln Avenue Brownfield Opportunity Area (BOA) study, which commenced in 2017. Grant revenue earned during 2019 and through 2018 was \$58,563 and \$186,508, respectively. Accounts receivable relating to this grant were \$115,964 and \$123,309 at December 31, 2019 and 2018, respectively.

Receipt of the grant is conditioned upon compliance with terms and conditions of the agreement and applicable State regulations, including expenditure of resources for eligible purposes. The Agency is subject to audits and reviews of reimbursable costs by the State, the outcome of which may have the effect of retroactively increasing or decreasing grant revenue. The Agency believes it has complied with all applicable terms, conditions, and regulations.

Management considers the need for an allowance on accounts receivable at least annually based on a review of the outstanding balances, their collection history and known facts and circumstances. Management considers accounts receivable at December 31, 2019 and 2018 to be fully collectible, and as such, no allowance has been established.

f. Property Held for Sale

During 2017, the Agency demolished the building and improvements that were on the land owned by the Agency in preparation for its potential sale. These costs were capitalized as part of property held for sale. The Agency is actively seeking buyers for the land consistent with its purpose of encouraging economic growth in the Town. Property held for sale is held at the lower of cost or net realizable value.

g. Subsequent Events

The Agency has evaluated subsequent events for potential recognition or disclosure through March 30, 2020, the date the financial statements were available to be issued.

Town of Colonie Industrial Development Agency

Notes to Financial Statements
December 31, 2019 and 2018

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of:

	December 31,	
	2019	2018
<i>Unrestricted</i>		
Cash in checking accounts	\$ 5,687	\$ 43,258
Cash and cash equivalents in money market account	1,377,732	1,131,329
Total unrestricted cash and cash equivalents	1,383,419	1,174,587
<i>Restricted</i>		
Cash, restricted for revolving loan fund	-	178,929
Total cash and cash equivalents	<u>\$ 1,383,419</u>	<u>\$ 1,353,516</u>

The Agency's investment policies are governed by state statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of New York State or its localities, and Certificates of Participation.

In accordance with the provisions of Section 10 of the General Municipal Law of New York State, all Agency deposits, including certificates of deposit and special time deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, must be collateralized by a pledge of eligible securities, letters of credit, or surety bonds. As of December 31, 2019 and 2018, the collateral was sufficient to secure the Agency's deposits in excess of FDIC insurance.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government.

All investment obligations must be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, must be payable or redeemable at the option of the Agency within two years of the date of purchase.

Note 3 - Related Party Transactions

The Town of Colonie Comptroller's Office, Purchasing Department and the Department of Planning and Economic Development provide staff support and office space to the Agency. Under the terms of an annual agreement, the Agency paid the Town \$50,000 for support services for both the years ended December 31, 2019 and 2018.

Note 4 - Industrial Revenue Bond and Note Transactions

Industrial development revenue bonds issued by the Agency are secured by property which is leased to companies and is retired by these payments. The bonds are not obligations of the Agency or the Town. The Agency does not record the assets or liabilities resulting from bonds

Town of Colonie Industrial Development Agency

Notes to Financial Statements
December 31, 2019 and 2018

Note 4 - Industrial Revenue Bond and Note Transactions - Continued

issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bonds, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives administration fees from the borrowing companies. Such administrative fee income is recognized upon issuance of bonds. There were no new issuances of industrial revenue bonds during 2019 and 2018. The Agency had industrial revenue bonds outstanding totaling \$4,560,000 and \$4,860,000 at December 31, 2019 and 2018, respectively.

Note 5 - Revolving Loan Fund

The Agency had established the Town of Colonie Small Business Revolving Loan Trust Fund (Fund), which was administered by the Albany-Colonie Regional Chamber of Commerce (Chamber) for the purpose of providing loans to qualified small businesses. In October 2019, the Agency accepted an offer from the Chamber to buy-out the outstanding loans at net realizable value and closed the Fund.

The Chamber was authorized and empowered to make loan commitments not to exceed \$25,000 to a single qualified borrower and to advance loan proceeds from the Fund. The Agency paid the Chamber an administrative fee, from interest income, for its services in connection with the Fund. Any and all other interest earned by the Fund becomes part of the principal of the Fund to be used to make additional loans. Principal payments from borrowers are also returned to the Fund.

Activity within the Fund for the years ended December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Loans, beginning of year	\$ 14,675	\$ 27,352
Principal repayments	(13,280)	(10,404)
Write-offs	(1,395)	-
	-	16,948
Allowance for uncollectible amounts	-	(2,273)
	\$ -	\$ 14,675

**Town of Colonie
Industrial Development Agency**

Supplementary Information - Schedule of Indebtedness

<u>Project Description</u>	<u>Original Issue Amount</u>	<u>Original Issue Date</u>	<u>Current Interest Rate</u>	<u>Outstanding January 1, 2019</u>	<u>Issued During 2019</u>	<u>Principal Payments 2019</u>	<u>Outstanding December 31, 2019</u>	<u>Final Maturity Date</u>
One Mustang Drive II, LLC	\$ 5,185,000	11/17	2.52%	<u>\$ 4,860,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 4,560,000</u>	9/1/2030

See Independent Auditor's Report.



**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***

Chairman and Agency Board
Town of Colonie Industrial Development Agency
Latham, New York

We have audited, 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, the financial statements of the Town of Colonie Industrial Development Agency (Agency), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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.

BST & CO. CPAs, LLP

Albany, New York
March 30, 2020



March 30, 2020

Chairman and Members of the Board
Town of Colonie Industrial Development Agency
534 New Loudon 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) as of and for the year ended December 31, 2019. 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,

BST & Co. CPAs, LLP

Brendan K. Kennedy, Partner

BKK/hmk

Town of Colonie Industrial Development Agency

Communication With Those Charged With Governance Year Ended December 31, 2019

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 with Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated February 2, 2019. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication letter regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement dated February 3, 2020.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting 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 any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current year.

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.



Town of Colonie Industrial Development Agency

Communication With Those Charged With Governance
Year Ended December 31, 2019

Audit Adjustments

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

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

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.

Significant Difficulties Encountered in Performing the Audit

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

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.



Town of Colonie Industrial Development Agency

Summary of Significant Accounting Estimates Year Ended December 31, 2019

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, 2019 financial statements:

Estimate	Accounting Policy	Estimation Process
Proper Held for Sale	Amounts are reported at the lower of cost or net realizable value (NRV).	On a periodic basis, but not less than annually, management evaluates property held for sale's NRV to determine whether it exceeds cost, by considering currently known facts and circumstances in the local real estate market.

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, 2019

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

March 30, 2020

This representation letter is provided in connection with your audits of the financial statements of the Town of Colonie Industrial Development Agency (Agency) as of and for the year ended December 31, 2019 and 2018, 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 March 30, 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated February 2, 2019, 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 the 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 transactions have been recorded in accordance with the economic substance of the transaction and 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. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
7. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private, or to special assessment bondholders that is not disclosed in the financial statements.

8. 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 because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the periods of these audits.
9. We have no knowledge of any uncorrected misstatements in the financial statements.

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 Agency from whom you determined it necessary to obtain audit evidence; and
 - 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 are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. 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.

Supplementary Information

21. 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.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
22. 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.

Compliance Considerations

23. In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:
 - a. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
 - b. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Agency.

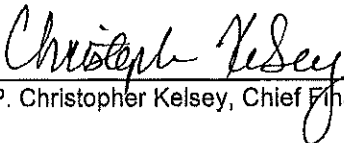
- c. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- a. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
- b. Has identified and disclosed to you all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
- c. Is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.
- d. Acknowledges its responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.
- e. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that you report.
- f. Has a process to track the status of audit findings and recommendations.
- g. Has identified for you previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- h. Has provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.

Very truly yours,

TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY



Carmino Basile, Audit Chairman



P. Christopher Kelsey, Chief Financial Officer

Schedule 3
Summary of Account Activity

See attached

Town of Colonie Industrial Development Agency
Annual Investment Report
For the Year Ended December 31, 2019

The Town of Colonie Industrial Development Agency (IDA) did not have any investments in securities during 2019. All funds were held either in a money market or checking account. Funds were collateralized for all balances above the FDIC coverage. Management periodically reviewed CD rates and short term Treasury bond rates to determine if interest rates for short term investments had recovered sufficiently to transfer funds. A summary of the activity in the IDA's money market for the year ended December 31, 2019 follows:

Beginning Balance	\$ 1,131,329.19
Additions during the year	401,989.81
Withdrawals during the year	(157,500.00)
Interest Earned	<u>1,913.13</u>
Ending Balance	<u><u>1,377,732.13</u></u>

During 2019 the interest rates on the JP Morgan Chase Money Market account were as follows:

January 1 to December 31, 2018	0.15%
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