

April 22, 2016

Board of Directors
Troy Local Development Corporation
433 River Street
Troy, New York 12180

Dear Members of the Board:

We are pleased to present this report related to our audit of the financial statements of the Troy Local Development Corporation (Corporation) for the year ended December 31, 2015. 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 of Directors 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



Paul L. Goetz, Partner

PLG/dmc

Troy Local Development Corporation

Communication With Those Charged With Governance Year Ended December 31, 2015

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 have been described to you in our arrangement letter dated January 8, 2016. 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 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.

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 Corporation. The TLDC did not adopt any new significant accounting policies nor have there been any changes in existing significant accounting policies during the 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.

Troy Local Development Corporation

Communication With Those Charged With Governance
Year Ended December 31, 2015

Audit Adjustments

Audit adjustments proposed by us and recorded by the Corporation are shown on the attached Exhibit B, Summary of Recorded Audit Adjustments.

Uncorrected Misstatements

Uncorrected misstatements are summarized in the attached in Exhibit C, Summary of Uncorrected Misstatements.

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 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 Corporation, including the representation letter provided to us by management, are attached as Exhibit D.

Troy Local Development Corporation

Summary of Significant Accounting Estimates Year Ended December 31, 2015

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 Corporation's December 31, 2015 financial statements:

Estimate	Accounting Policy	Estimation Process
Allowance for Doubtful Accounts	An allowance for uncollectible accounts receivable is recorded to reduce receivables to their estimated collectible amounts.	Management determines the allowance for uncollectible accounts by reserving a percentage of a receivable based on the historical collection experience.
Depreciation	Depreciation is provided for to relate the cost of depreciable assets to operations over their useful lives using the straight-line method.	Management determines the depreciable lives of assets when such assets are placed in service by estimating the useful life of the asset. Useful lives range from five to forty years.

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.

Troy Local Development Corporation**Summary of Recorded Audit Adjustments**
Year Ended December 31, 2015

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Net Position	Revenue	Expense
To agree beginning net assets to prior year	\$ -	\$ -	\$ 363	\$ -	\$ 363
To accrue for land improvement costs done in 2015	<u>2,399</u>	<u>2,399</u>	-	-	-
Total Statement of Revenues, Expenses, and Changes of Net Position Effect			(363)	\$ -	\$ 363
Total Statement of Net Position Effect	<u>\$ 2,399</u>	<u>\$ 2,399</u>	<u>\$ -</u>		

Troy Local Development Corporation**Summary of Unrecorded Misstatements**
Year Ended December 31, 2015

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, to the statements of financial position, results of operations, and cash flows and to the related financial statement disclosures. Following is a summary of those differences:

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Net Position	Revenue	Expense
To reverse grant payable in the prior year that was not used in 2015 and expired	\$ -	\$ -	\$ 35,000	\$ -	\$ 35,000
Projected misstatement of accounts payable errors	<u>-</u>	<u>15,484</u>	<u>-</u>	<u>-</u>	<u>15,484</u>
Total Statement of Revenues, Expenses, and Changes of Net Position Effect			<u>(50,484)</u>	<u>\$ -</u>	<u>\$ 50,484</u>
Total Statement of Net Position Effect	<u>\$ -</u>	<u>\$ 15,484</u>	<u>\$ (15,484)</u>		

Troy Local Development Corporation

Significant Written Communications
Between Management and our Firm
Year Ended December 31, 2015

Representation Letter



THE TROY LOCAL DEVELOPMENT CORPORATION

433 RIVER STREET, TROY, NY 12180
518-279-7166



Kevin O'Bryan, Chairman
Dep. Mayor Monica Kurzejeski

Andrew Ross, Vice Chairman

April 22, 2016

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 Troy Local Development Corporation (Corporation), which comprise of the statements of net position as of December 31, 2015 and 2014, 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, that as of April 22, 2016:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 8, 2016, 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 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 informed you of all uncorrected misstatements. As of and for the year ended December 31, 2015, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate to the consolidated financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Net Position	Revenue	Expense
To reverse grant payable in the prior year that was not used in 2015 and expired	\$ -	\$ -	\$ 35,000	\$ -	\$ 35,000
Projected misstatement of accounts payable errors	<u>-</u>	<u>15,484</u>	<u>-</u>	<u>-</u>	<u>15,484</u>
Total Statement of Revenues, Expenses, and Changes of Net Position Effect			(50,484)	\$ -	\$ 50,484
Total Statement of Net Position Effect	<u>\$ -</u>	<u>\$ 15,484</u>	<u>\$ (15,484)</u>		

Information Provided

9. Arrangements involving restrictions on cash balances have been properly disclosed.

10. We have provided you with:

- 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;
- Additional information that you have requested from us for the purpose of the audits;
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
- Minutes of the meetings of the Board of Directors, and committees of directors, 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 Corporation's financial statements involving:

- Management.
- Employees who have significant roles in the internal control.
- 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 Corporation's financial statements received in communications from employees, former employees, analysts, regulators, or others.

15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and U.S. Office of Management and Budget Circular No. A-133 because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the periods of these audits.
16. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
17. 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.
18. 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.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. 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.
21. 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.

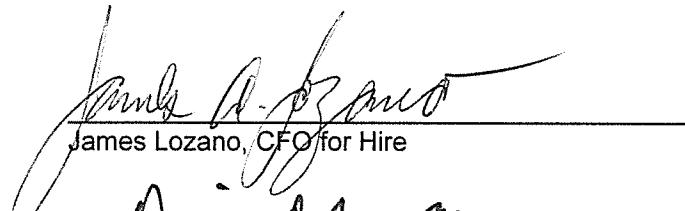
Compliance Considerations

22. In connection with your audits 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 Corporation.
 - 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.
 - d. 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.
 - e. 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.
 - f. Is responsible 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.

- g. Acknowledges its responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.
- h. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that you report.
- i. Has a process to track the status of audit findings and recommendations.
- j. Has identified for you previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
- k. Has provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.
- l. Acknowledges its responsibilities as they relate to non-audit services performed by you, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Very truly yours,

TROY LOCAL DEVELOPMENT CORPORATION



James Lozano, CFO for Hire



Kevin O'Bryan, Chairman