

November 30, 2015

Board of Trustees
Green Island Power Authority
69 Hudson Avenue
Green Island, New York 12183

Dear Members of the Board:

We are pleased to present this report related to our audit of the financial statements of the Green Island Power Authority (Authority) for the year ended May 31, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Trustees 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 Authority.

Very truly yours,

SaxBST LLP



Paul L. Goetz, Partner

PLG/dmc

Green Island Power Authority

Communication With Those Charged With Governance Year Ended May 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 and the Planned Scope and Timing of the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated May 22, 2013, and our supplemental arrangement letter dated June 24, 2015.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

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

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period, except as noted herein:

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement establishes 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.

The adoption of these standards had no significant impact on the Authority's financial statements.

Green Island Power Authority

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

Accounting Policies and Practices - Continued

Significant or Unusual Transactions

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

Management's Judgments and Accounting Estimates

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

Audit Adjustments

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

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 with or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

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



Green Island Power Authority

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

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

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

Significant Written Communications Between Management and Our Firm

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

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 report is intended solely for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

SaxBST LLP

Albany, New York
November 30, 2015



Green Island Power Authority

Summary of Significant Accounting Estimates Year Ended May 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 the Authority's May 31, 2015 financial statements:

Estimate	Accounting Policy	Estimation Process
Allowance for Uncollectible Accounts	Allowance is based on a review of outstanding amounts on a monthly basis.	Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts.
Depreciation	Depreciation is provided for in amounts to relate the cost of depreciable assets to operations.	Depreciation is provided for in amounts to relate the cost of depreciable assets to operations.
Postemployment Benefits	Postemployment benefits are reported under the accrual basis, where the expected value of the benefit is actuarially calculated and recognized as a cost over the working lifetime of employees.	Actuarial computations and the resulting postemployment liability as of May 31, 2015, were provided by Armory Associates, LLC, the Authority's independent actuaries. These computations were prepared using various assumptions related to retirement age, marital status, mortality, termination rates, healthcare cost trends, and amortization methods.

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.

Green Island Power Authority

Summary of Recorded Audit Adjustments Year Ended May 31, 2015

Description	Effect - Increase (Decrease)				
	Assets	Liabilities	Net Assets	Revenue	Expense
To reverse duplicate sales entry	\$ (171,581)	\$ -	\$ -	\$ (171,581)	\$ -
To adjust accrued interest and interest expense to actual	<u>-</u>	<u>(3,389)</u>	-	<u>-</u>	<u>(3,389)</u>
Statement of Revenues and Expenses and Changes in Net Position Effect	<u>-</u>	<u>-</u>	<u>(168,192)</u>	<u>\$ (171,581)</u>	<u>\$ (3,389)</u>
Statement of Net Position Effect	<u>\$ (171,581)</u>	<u>\$ (3,389)</u>	<u>\$ (168,192)</u>		

Green Island Power Authority

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

Representation Letter

GREEN ISLAND POWER AUTHORITY

BILLING OFFICE

20 Clinton Street
Green Island, New York 12183
(518) 272-4790 (Office)
(518) 271-1924 (Fax)

EXECUTIVE OFFICES

69 Hudson Avenue
Green Island, New York 12183
(518) 271-9397 (Office)
(518) 689-9700 (Fax)

ELECTRICAL FACILITIES CENTER

50 Cohoes Avenue
Green Island, New York 12183
(518) 274-5125 (Office)
(518) 274-9040 (Fax)

November 30, 2015

SaxBST LLP

26 Computer Drive West
Albany, New York 12205

This representation letter is provided in connection with your audits of the financial statements of the Green Island Power Authority (Authority), which comprise the statements of net position as of May 31, 2015 and 2014, and the related statements of revenues and expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated August 28, 2013, and the supplemental arrangement letter dated June 24, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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. In that regard, adequate provisions have been made:
 - a. To reduce receivables to their estimated net collectible amounts.
 - b. To reduce obsolete, damaged, or excess inventories to their estimated net realizable values.
 - c. For postretirement benefits other than pensions attributable to employee services rendered through May 31, 2015. As of May 31, 2015, the postretirement obligation was actuarially determined with the assistance of Armory Associates, LLC, the Authority's independent actuary.

5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP, including those defined in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards.
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 audits.
 - c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Trustees, 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 Authority'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 Authority's financial statements received in communications from employees, former employees, analysts, regulators, or others.
14. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the 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.

16. We have disclosed to you the identity of the Authority's related parties and all related-party relationships and transactions of which we are aware.
17. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Authority'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.
19. 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.
20. Madeline Paterniani, CFO, has overseen the services provided by SaxBST LLP, and has established and maintained internal controls, including the monitoring of ongoing activities related to the non-attest services of drafting of financial statements and related notes to the financial statements.

Government Auditing Standards

21. We are responsible for compliance with laws and regulations applicable to the Authority, including the requirement of adopting, approving, and amending budgets.
22. We have identified and disclosed to you:
 - a. All laws and regulations that have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 - b. Violations and possible violations of laws, regulations, and provisions of contracts and other agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.
23. 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.
24. We have implemented a process to track the status of audit findings and recommendations.
25. We have identified for you previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audits being undertaken and the corrective action taken to address significant findings and recommendations.
26. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report, if any.
27. We have reviewed, approved, and take full responsibility for all adjustments, the financial statements, related notes, and required supplementary information and acknowledge the auditor's role in the preparation of this information.

28. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Very truly yours,

GREEN ISLAND POWER AUTHORITY


Ellen M. McNulty-Ryan, Member Chairperson


Madeline Paterniani, Chief Fiscal Officer