

Town of Colonie Local Development Corporation

Notes to Financial Statements
December 31, 2013 and 2012

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

d. Early Application of Accounting Pronouncements - Continued

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.

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

GASB Statements No. 69, 70, and 71 had no impact on the financial statements.

e. Capital Assets

Capital assets acquired by the Corporation are stated at cost, including interest capitalized during construction when applicable. Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets.

Description	Estimated Life
Building and improvements	5-30 years
Furniture and equipment	10 years
Intangible assets	3 years

f. Subsequent Events

The Corporation has evaluated subsequent events for potential recognition or disclosure through March 12, 2014, the date the financial statements were available to be issued.

Note 2 - Cash

The Corporation's investment policies are governed by State statutes. In addition, the Corporation has its own written investment policy. Corporation monies must be deposited in 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.

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Note 2 - Cash - Continued

In accordance with the provisions of Section 10 of the General Municipal Law of New York State, all Corporation deposits, 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 collateralized by a pledge of eligible securities, letters of credit, or surety bonds. As of December 31, 2013 and 2012, the FDIC insurance was sufficient to secure the Corporation's deposits.

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 shall be payable or redeemable at the option of the Corporation 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, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase. The Town did not have any investments for the periods ended December 31, 2013 and 2012.

Note 3 - Capital Assets, Net

Capital assets are as follows:

	December 31,			
	2012	Additions	Disposal	2013
Capital assets being depreciated				
Intangible assets	\$ -	\$ 2,375	\$ -	\$ 2,375
Less accumulated depreciation for Intangible assets	-	(792)	-	(792)
Total capital assets being depreciated, net	-	1,583	-	1,583
Capital assets, net	\$ -	\$ 1,583	\$ -	\$ 1,583

Note 4 - Related Party Transactions

The Comptroller's, Attorney's, and Planning and Economic Development Departments of the Town provide staff support and office space to the Corporation. The Corporation has entered into an annual agreement with the Town for reimbursement of these costs. The management fee with the Town was \$2,000 for both 2013 and 2012.