

Town of Colonie Industrial Development Agency

Notes to Financial Statements
December 31, 2013 and 2012

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

g. Pass-Through Grants

The Agency is essentially a pass-through agent for certain grants made by the New York State Department of Economic Development for the benefit of a third party. No such grants occurred during 2013 or 2012.

h. Subsequent Events

The Agency 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

Cash consists of:

	December 31,	
	2013	2012
Cash in checking accounts	\$ 4,255	\$ 1,359
Cash in money market account	1,054,311	1,887,195
Total cash	\$ 1,058,566	\$ 1,888,554
Cash, restricted for revolving loan fund	\$ 168,454	\$ 127,934

Restricted cash consists of funds held for use in the Agency's revolving loan fund. 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 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, shall be collateralized by a pledge of eligible securities, letters of credit, or surety bonds. As of December 31, 2013 and 2012, the collateral was sufficient to secure the Agency's deposits in excess of the 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 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 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 Agency within two years of the date of purchase.