



SCHENECTADY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Investment Report (2017)

Decisions regarding the investment of Agency funds are governed by its enabling statute, State law, and the policies and procedures established by the Board of Directors. Provisions of General Municipal Law and Public Authorities Law further regulate the investment activities of the Agency.

Investment Objectives

The primary objectives of the Agency's investment activities are, in priority order.

- a. To conform with all applicable federal, state and other legal requirements (legal);
- b. To adequately safeguard principal (safety);
- c. To provide sufficient liquidity to meet all operating requirements (liquidity); and
- d. To obtain a reasonable rate of return (yield).

2017 Operating Funds

Throughout 2017, operating funds were invested among several banking institutions that were designated as acceptable by the Agency Board. These consisted of traditional bank deposit accounts, insured by the Federal Deposit Insurance Corporation within such limits as were available. To the extent that any deposit balance exceeded such limits, the institutions were required to pledge securities, held by a Third-Party trustee, and maintain values of such pledged assets at not less than 102% of such excess balances at all times. Furthermore, securities that are pledged must conform to those approved by State law and the Agency's investment policy. In order to monitor compliance with the Authority's requirements, trustees provide periodic (at least monthly) reports of daily coverage and securities held on the Agency's behalf. These reports are reviewed by management upon receipt and upon request by the Fiscal Audit Committee.

Conclusions

The Agency funds its operating activities by taking a conservative approach to investment. It is management's opinion that the organization remained in full compliance with the statutory requirements and policies in effect during 2017.