

OGDENSBURG BRIDGE & PORT AUTHORITY

INVESTMENT POLICY

1. Investment Objectives and Types of Investment Authorized

The primary investment objective of the Ogdensburg Bridge and Port Authority ("Authority") is to earn reasonable rates of return on its investments, while maintaining legality, safety and liquidity.

Authorized investments include and will primarily consist of:

- Certificates of Deposit;
- Treasury Bills;
- Other securities guaranteed by the U.S. Government; and
- Any other investments allowed under the Public Authorities Law that satisfy the investment objectives of the Authority.

2. Diversification of Investments

The Authority will invest in any combination of authorized investments. The maturity dates of selected investments shall not exceed one year. Safety, liquidity and yield are the major factors used in determining the type and maturity of investments.

3. Delegation of Investment Management

All new investments must be reviewed and approved by both the Executive Director and the Chief Financial Officer.

4. Internal Control and Procedures

The organizational structure of the Authority shall wherever practical, provide for the separation of the authorization and accounting functions and both of these activities shall be maintained separately from the custodial function. The Chief Financial Officer is required to develop and maintain a detailed operating procedures manual.

5. Selection of Investment Firms

The Authority shall transact all business with full service commercial banking institutions. The Authority Board shall annually approve a list of banking institutions with which the Authority is authorized to transact business.

6. Investment Procedures

Written documentation is required for all investments and the Authority shall insure that each investment is sufficiently secured or collateralized at the time of acquisition. Collateralization will be monitored on a monthly basis to insure that all investments are fully secured.

7. Collateralization

All investments shall be fully secured or collateralized. The collateral should be segregated in the Authority's name and should be in the custody of the Authority or a third party custodian. The Authority should not accept a pledge of a proportionate interest in a pool of collateral. For demand deposits, time deposits and certificates of deposit, collateralization is required for amounts over and above the Federal Deposit Insurance Corporation coverage. The market value and the accrued interest of the collateral should equal the value of the investment and any accrued interest at all times. The recorded value of the collateral backing any investment should be compared with current market values (market-to-market) at the time of initial investment, and thereafter on a monthly basis, to be certain that it continues to be at least equal to the value of the investment plus accrued interest. There should be a written custodial agreement which, among other things, specifies the circumstances under which collateral may be substituted and provides that the custodian is holding the securities solely for the benefit of the Authority and makes no claim thereto.

8. Performance Evaluation and Audit

Investment procedures will be reviewed annually for program compliance by the Authority's independent auditor as part of the annual financial statement audit.

9. Reporting

(a) Internal Management Reporting – The Authority shall report to the Board on the investment program operations on a quarterly basis. The report, issued by the Chief Financial Officer should indicate any new investments, the inventory of existing investments and the selection of financial institutions.

(b) Financial Statements – The Authority's annual financial statements will be audited by an independent auditor in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

(c) Reporting to Oversight Agencies – As required by the Public Authorities Law, an annual report shall be submitted to the Division of the Budget with copies to the Office of the State Comptroller, the Senate Finance Committee, and the Assembly Ways and Means Committee. Such report shall include:

- (1) the investment guidelines required by Section 2925 (3) and any amendments to such guidelines since the last investment report;
- (2) an explanation of the investment guidelines and amendments;
- (3) the results of the annual independent audit;
- (4) the investment record of the Authority; and
- (5) a list of total fees, commissions or other charges paid to each financial institution rendering investment associated services to the Authority since the last investment report.

10. Pledge of Investments

The Authority reserves the right to pledge any and all investments as security or collateral to secure interim financing for economic development projects.