

Ithaca Urban Renewal Agency Investment Guidelines

Public Authorities Law (PAL) requires each public benefit corporation to adopt investment guidelines regarding the investing, monitoring and reporting of funds of the corporation and annually review and approve such guidelines (section 2925 of PAL).

Investing

The primary investment objective for managing funds of the IURA is to preserve capital and comply with all applicable regulations and requirements pertaining to the funds managed. A secondary investment objective is to maximize interest earned on monies managed by the IURA. A tertiary investment objective is to deposit investment funds in qualified financial institutions that meet the financial needs of residents and businesses within the IURA service area. An additional consideration is ease of administration and services offered by depository institutions, such as the availability of internet banking, including on-line documentation of cancelled checks and account balances, and free wire transfers.

Because the IURA acts as a pass-through of grant funds from federal agencies to end users, the grant funding source agency may establish special requirements for management of such funds. For instance, the US Department of Housing & Urban Development requires that all bank interest earned on HUD funds be remitted to the US Treasury annually.

Agency monies may be invested in obligations of the US Treasury or deposited in federally insured commercial banks, trust companies, or credit unions, preferably institutions located within the City of Ithaca and the urban renewal project boundary area. Agency monies may be deposited in the above-listed institutions in demand accounts and certificates of deposit.

Collateral is required for demand deposits and certificates of deposit at a minimum of 110% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

Signatories on deposit accounts shall be designated by resolution of the IURA. Only a designated signatory is authorized to establish investment accounts. Two signatures of designated signatories shall be required on all checks issued by the IURA.

Monitoring

Investment statements shall be reconciled with the general ledger on a monthly basis. The reconciliation shall be reviewed by staff to verify that the investment statements and the IURA balance sheet match on a monthly basis.

No less than annually, the Agency shall review its investment guidelines and its investments.

Reporting

An independent auditor shall review IURA investments on an annual basis as part of the independent audit of financial statements. The IURA shall review the independent audit and address any recommendations, concerns or findings.

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Ithaca Urban Renewal Agency Investment Report

2010 Investment Report

All 2010 IURA investments were deposited at Tompkins Trust Company (TTC), a FDIC-insured trust company. Total IURA bank balances were \$2,218,894.77 as of 2/28/11 and are divided between 10 savings accounts, one checking account and one certificate of deposit. \$250,000 of this investment amount is covered by FDIC insurance with the remaining \$1,968,894.77 collateralized by securities with a market value of \$2,658,988.21 held by TTC that are pledged for the Ithaca Urban Renewal Agency. All pledged collateral are obligations of US government agencies or obligations of New York State municipalities. Collateral for demand deposits and certificates of deposit currently equals 135% of all deposits not covered by federal deposit insurance.

Attached is a listing of all IURA investments as of 2/28/11 and the listing of assets pledged as collateral for amounts exceeding the federal insurance limit.

**Ithaca Urban Renewal Agency
Checking and Savings Accounts Analysis
2/28/2011**

Description	Account Type	Interest Rate APY	Balance at 2/28/2011	Interest Due To
Operating Account	Business Checking	N/A	\$ 48,561.26	
GOSC	Super Savings Money Market	0.195%	\$ 232,629.78	
CD-RLF Alloc/Section 17	Super Savings Money Market	0.195%	\$ 69,513.12	
Industrial Parks	Super Savings Money Market	0.195%	\$ 78,412.65	
UDAG	Super Savings Money Market	0.195%	\$ 24,199.87	
HODAG	Super Savings Money Market	0.195%	\$ 422,208.48	
Non CDBG Funds	Super Savings Money Market	0.195%	\$ 142,382.34	
Escrow Acct-Rimland	Super Savings Plus	0.145%	\$ 5,031.93	
Gateway Plaza Associates	Super Savings Money Market	0.195%	\$ 103,457.06	
CD-RLF	Super Savings Money Market	0.195%	\$ 478,088.70	To HUD
NHI	Super Savings Money Market	0.195%	\$ 253,769.58	To City
NHI Certificate of Deposit	1 Year CD - due 8/28/11	1.00%	\$ 360,640.00	To City
Total			<u>\$ 2,218,894.77</u>	

Note: All above accounts are with Tompkins Trust Company



Account Number: 65 10 8495 3 03
Date: FEBRUARY 28, 2011

Review of Assets

Shares or Par Value	Unit Market	Total Market Value
CASH		0.00
FIXED INCOME SECURITIES		
U.S. GOVT AGENCY OBLIGATIONS		
500,000.0000	FEDERAL HOME LN BANKS 3.87% DUE 03/17/2016	106.811 534,055.00
94,866.3400	FEDERAL NATIONAL MTGE ASSOC 7.00% DUE 05/01/2021	113.299 107,482.61
TOTAL U.S. GOVT AGENCY OBLIGATIONS		641,537.61
MUNICIPAL BONDS & NOTES		
250,000.0000	BROADALBIN CSD NEW YORK 4.20% DUE 06/15/2012	104.530 261,325.00
250,000.0000	BROADALBIN NEW YORK 4.25% DUE 06/15/2013	104.174 260,435.00
255,000.0000	DRYDEN CSD NEW YORK 3.75% DUE 06/15/2015	107.226 273,426.30
570,000.0000	GOSHEN CSD NEW YORK 3.625 DUE 06/15/2014	106.720 608,304.00
100,000.0000	ITHACA CITY NEW YORK 4.25% DUE 05/15/2011	100.727 100,727.00
100,000.0000	LANSING CSD NEW YORK 4.375 DUE 06/15/2017	109.556 109,556.00
390,000.0000	RUSH-HENRIETTA CSD NY 3.50% DUE 06/15/2012	103.507 403,677.30
TOTAL MUNICIPAL BONDS & NOTES		2,017,450.60
TOTAL FIXED INCOME SECURITIES		2,658,988.21
GRAND TOTAL		2,658,988.21