

## **Town of Islip Community Development Agency**

### **Annual Investment Report**

**For Year Ended June 30, 2022**

In accordance with Sections 2925(6) of the Public Authorities Law, Part 201 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York, and as required by the Town of Islip Community Development Agency's Investment Policy, the Town of Islip Community Development Agency (the "Agency") shall annually prepare an investment report.

#### **Investment Policy**

The Agency's Investment policy, originally adopted March 13, 2008, was reaffirmed on January 14, 2021 and January 13, 2022. The primary objectives of the Agency's investment activities shall be the following:

- 1) Safety and preservation of principal in the overall portfolio
- 2) Maintaining the necessary liquidity to match expected liabilities and expenses
- 3) Obtaining a reasonable return

In addition to the above, the Agency must conduct its investment activities in a manner that complies with the General Municipal Law and other legal requirements.

#### **Investment Activity**

During the year ended June 30, 2022 the Agency did not hold or invest in any investments (i.e., bonds, stocks, certificates of deposits). The Agency's funds were all held as deposits in two financial institutions:

- Dime Community Bank
- Citibank

The Agency has various checking and money market accounts for the individual grant programs administered as well as tenant security and mortgage escrow accounts. All deposits are in compliance with General Municipal Law and other legal requirements.

At the beginning of the fiscal year the Agency held all funds in Citibank. However, in March of 2022, Citibank notified the Agency they would no longer be able to support collateralized deposits effective July 1, 2022. At the end of the fiscal year, management started closing Citibank accounts and moving funds into Dime Community Bank who could secure a collateral agreement with the Agency's funds. As of June 30, 2022, all deposits were either insured by the FDIC (\$250,000 for all checking accounts and \$250,000 for all interest-bearing accounts) or collateralized with eligible securities in the Agency's name in third party custodial account. As of March 1, 2023 all accounts, except for the tenant security accounts, have been closed at Citibank.

#### **Investment Income**

For year ended June 30, 2022, the deposit accounts earned \$691 in interest income. This is lower than the previous year's interest income of \$2,300 due to a lower interest rate environment. This excluded interest on mortgage escrow accounts which are not reported as Agency income.

### **Investment Expenses**

The Agency did not pay any fees, commissions or other charges to brokers, dealers or advisors during the year end June 30, 2022 since there was no investment activity. There were minimal fees associated with moving funds from Citibank to Dime Community Bank (i.e., fees for new checks).

### **Summary**

The Agency has had sufficient cash to pay its liabilities and expenses for the year ended June 30, 2022 and this is expected to continue going into the next fiscal year. In addition, interest income is expected to increase for the year ended June 30, 2023, as we continue to see the Federal Reserve increase interest rates to offset inflation.