

CAPITAL DISTRICT TRANSPORTATION AUTHORITY

Annual Report on Investments

April 1, 2010 to March 31, 2011

During the year ended March 31, 2011 the total investment income was \$812,720.

During the past year, our investment vehicles were “Money Market” accounts and Now Accounts in banks doing business in New York State, and managed Investment Account in connection with Restricted Funds as explained below. All temporary excess operating cash is deposited in “Money Market” or “Now” accounts, whichever is currently earning the highest interest rate, and is withdrawn as required for operating purposes. Cash balances in operating accounts are monitored on a daily basis with banks in order to maximize the time such funds are kept in the interest earning accounts.

CDTA also has five restricted cash funds which remained invested with [Hugh Johnson Advisors, LLC](#).

These restricted funds are as follows at 3/31/2011:

Worker's Compensation Self Insurance	\$ 8,167,037
Capital Projects & Local Match Reserve	\$ 1,822,529
Operating Reserve	\$ 5,581,498
Vehicle Replacement Reserve	\$ 2,917,010
Risk Management Reserve	<u>\$ 6,046,585</u>
TOTAL	\$ 24,534,658

In order to adhere to CDTA's Investment Guidelines the securities purchased with the Reserve Funds were “Obligations of the United States Government or Agencies thereof”. Further requirements were that all securities be of an “AAA” rating.

At 3/31/11 each Reserve account consisted primarily of U.S. Government Treasury Notes and agency obligations. The following table provides key information about each Restricted Fund Account at 3/31/11:

	WORKERS COMPENSATION	CAPITAL PROJECTS & LOCAL MATCH FUND	OPERATING RESERVE	VEHCILE REPLACEMENT	RISK MANAGEMENT
Current Market Value	\$ 8,227,311	\$ 1,822,529	\$ 3,465,498	\$ 2,917,010	\$ 6,046,585
Current Book Value	\$ 7,836,141	\$ 1,823,609	\$ 3,467,663	\$ 2,919,095	\$ 5,626,261
Average Maturity	3.93 Years	1.11 Years	.92 Years	1.16 Years	4.93 Years
Average Yield (Long Term)	3.46%	.27%	.36%	.39%	4.08%
Average Yield (Short Term)	3.60%	.75%	1.19%	1.38%	4.21%
Interest Earned to 3/31/11	\$ 402,313	\$ -17,259	\$ 15,357	\$ 12,981	\$ 362,486

Beginning in fiscal year 1999, all interest income earned on the above Reserve Accounts were maintained in the respective account and the fees paid to [Hugh Johnson Advisors, LLC](#) totaled \$31,632 for fiscal year 2011.

During the year \$2,534,174 was taken from the Operating Reserve Fund and \$1,546 was added to the Operating Reserve Fund.

During the year \$ 1,443,338 was taken from the Capital Projects & Local Match fund.

During the year \$ 39,674 was taken from the Vehicle Replacement fund and \$ 897,173 was added to the Vehicle Replacement fund.

\$1,800,000 was added to the Worker's Compensation Fund during the year to cover payment of claims.

During the year \$ 542,935 was taken from the Risk Management fund.

The balance of the Investment Income of \$37,922 was earned on deposits in Money Market and Now and Checking Accounts.

These accounts were always collateralized 100% or more, by the bank involved. The collateral was held in joint custody accounts in third party banks mutually agreeable to CDTA. The five fund accounts managed by Hugh Johnson Advisors, LLC were not collateralized due to the fact that the securities in both accounts are specific U.S. Treasury obligations backed by the U.S. Government.